

3545. By Mr. SHAFER of Michigan: Resolution of the executive committee of the National Association of Supervisors of State Banks, opposing Senate bill 2098 and House bill 5535; to the Committee on Banking and Currency.

3546. Resolution of the Grand Lodge, Brotherhood of Railroad Trainmen, opposing consolidation provisions of House bill 4862 and Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

3547. By Mr. WADSWORTH: Petition of Charles W. Webster and others, of Warsaw, N. Y., in support of House bills 11 and 5620; to the Committee on Ways and Means.

3548. By Mr. WELCH: Assembly Joint Resolution No. 13, of the California State Legislature, memorializing Congress to enact legislation limiting the number of cars in trains; to the Committee on Interstate and Foreign Commerce.

3549. By Mr. VAN ZANDT: Petition of J. F. Copenhaver, A. J. Shugarts, and T. H. Smeal, members of the resolution committee of Council No. 372, Junior Order of United American Mechanics, of Altoona, Pa., opposing Senate Joint Resolution 64, permitting 20,000 refugee children entrance to the United States from Germany, setting forth that in 5 years they will be approximately 19 years of age and ready to take the jobs open to American boys and girls, thereby adding to the already acute employment problem in the United States; to the Committee on Immigration and Naturalization.

3550. By the SPEAKER: Petition of the United Federal Workers of America (Congress of Industrial Organizations), Justice Local, No. 80, Washington, D. C., urging consideration of their resolution with reference to House bill 690 and Works Progress Administration employees; to the Committee on the Civil Service.

3551. Also, petition of the American Legion, San Juan, P. R., urging consideration of their resolution with reference to House bill 3517, furnishing Federal aid to education; to the Committee on Education.

SENATE

WEDNESDAY, JUNE 7, 1939

(Legislative day of Monday, June 5, 1939)

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Great is Thy name, O Lord, marvelous are Thy works, the whole earth is full of Thy glory.

Open our hearts, we beseech Thee, this day to the joy of life, to the exquisite loveliness that lurks in leaf and flower, to the haunting beauty framed in the faces of innocent children, and to the sacramental gifts of friendship that somehow by Thy touch of love our associations here may feel the impulse of this note of gladness to the solution of the problems which we share. Keep us ever close to Thee, and as we grow in age may we grow in grace, that the twilight of indifference may be changed into a fervent yearning for what is true, noble, and holy, and a bitter loathing for all things false, selfish, and vile. We ask these blessings not only for ourselves but for Thy children everywhere, that a regenerated people may speed the day when the kingdoms of this world shall have become the kingdom of our Lord and of His Christ and He shall reign forever and ever. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Tuesday, June 6, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries.

CALL OF THE ROLL

Mr. LEE. I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Radcliffe
Andrews	Donahey	King	Reed
Ashurst	Downey	La Follette	Reynolds
Austin	Ellender	Lee	Russell
Bailey	Frazier	Lodge	Schwellenbach
Bankhead	George	Logan	Sheppard
Barbour	Gerry	Lucas	Slattery
Barkley	Gibson	Lundeen	Smathers
Bilbo	Gillette	McCarran	Smith
Bone	Green	McKellar	Stewart
Borah	Guffey	McNary	Taft
Brown	Gurney	Maloney	Thomas, Utah
Bulow	Hale	Mead	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Vandenberg
Byrnes	Hayden	Neely	Van Nuys
Capper	Herring	Norris	Wagner
Caraway	Hill	Nye	Walsh
Chavez	Holman	O'Mahoney	Wheeler
Clark, Idaho	Holt	Overton	White
Clark, Mo.	Hughes	Pepper	Wiley
Connally	Johnson, Calif.	Pittman	

Mr. LEE. I announce that the Senator from Arkansas [Mr. MILLER] is absent from the Senate because of illness in his family.

The Senator from Virginia [Mr. GLASS], the Senator from Wyoming [Mr. SCHWARTZ], the Senator from Oklahoma [Mr. THOMAS], the Senator from Missouri [Mr. TRUMAN], and the Senator from Maryland [Mr. TYDINGS] are detained on important public business.

Mr. AUSTIN. I announce that the Senator from New Hampshire [Mr. BRIDGES] is absent because of an operation.

The VICE PRESIDENT. Eighty-seven Senators have answered to their names. A quorum is present.

MESSAGE FROM THE HOUSE—ENROLLED BILLS AND JOINT RESOLUTION SIGNED

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 50. An act to provide for recognizing the services rendered by civilian officers and employees in the construction and establishment of the Panama Canal and the Canal Zone;

S. 499. An act to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1910, and for other purposes," approved March 3, 1909, as amended, so as to extend commissary privileges to civilian officers and employees of the United States at naval stations beyond the continental limits of the United States or in Alaska;

S. 509. An act to add certain lands of the Front Royal Quartermaster Depot Military Reservation, Va., to the Shenandoah National Park, and for other purposes;

S. 588. An act to provide for an additional midshipman at the United States Naval Academy, and for other purposes;

S. 1409. An act to authorize the conveyance by the United States to the town of Bristol, Maine, of a portion of the Pemaquid Point Lighthouse Reservation, and for other purposes;

S. 1879. An act to amend the United States mining laws applicable to the area known as the watershed of the headwaters of the Bonito River in the Lincoln National Forest within the State of New Mexico;

S. 1982. An act to convey certain property to the city of El Campo, Tex.;

S. 2149. An act to add certain lands to the Papago Indian Reservation in Arizona;

S. 2404. An act to authorize the disposal of the Portland, Oreg., old courthouse building;

H. R. 5765. An act to authorize commissioning aviation cadets in the Naval and Marine Corps Reserves upon completion of training, and for other purposes; and

S. J. Res. 138. Joint resolution providing that reorganization plans Nos. I and II shall take effect on July 1, 1939.

TRIBUTE TO THE LATE SENATOR COPELAND, OF NEW YORK

Mr. GERRY. Mr. President, recently I prepared an address which I expected to deliver when the memorial addresses were made in the Senate a few days ago on the life,

character, and public service of the late Senator from New York, Hon. ROYAL S. COPELAND. However, I was unavoidably detained from the Senate on that occasion, and I now ask unanimous consent to have inserted in the RECORD the remarks prepared by me as a tribute to the late Senator.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

Mr. GERRY. Mr. President, I wish to say a few words in tribute to Senator ROYAL S. COPELAND, who, in a life of public service, represented the State of New York for 15 years in the Senate.

Before being elected to that office he had gained distinction as a physician. The human sympathy and the understanding of men necessary to the physician, and the industry and determination of the legislator were so merged as to make him, with his pleasant disposition, a valued friend.

He was by nature human, friendly, and simple, admirably equipped to be a family counselor. He was well able to meet the larger responsibilities that came to him when he was made health commissioner of New York City, and later, when he represented his State in the Senate. He never ceased to be concerned for the health of those about him. Time and again he admonished individual Senators and the Senate collectively against overwork. He, in his zeal for accomplishment, did not spare himself when his own health was not robust.

In the later years of Senator COPELAND's life several items of legislation in which we were both closely interested brought us together. I learned how painstaking he really was, what patience he brought to a task, and how willing he was to study details. He was a stubborn fighter and persistent in his advocacy, but he knew how and when to compromise on matters which he did not regard as vital to his main objective. The task of a Senator from New York is, by its nature, a heavy one. Senator COPELAND also bore the burden of the chairmanship of one of the most important Senate committees. The weight of his own duties made him no less willing to champion the issues sponsored by his colleagues.

His knowledge of life and his wide experience gave the touch of humanity to what he said. He had, as he told the Senate, seen young men and women marry, he had watched them establish homes, make gradual improvements on the property, build extensions as children came, and plant the trees and shrubs that would help make the home place the center of a family's life. Such things as these were in the background of his thinking on legislation. He realized the importance of the primary things. Knowing and loving a way of life, he fought for what he thought sustained it.

Senator COPELAND was not a lawyer, but when grave constitutional questions confronted the Congress his knowledge of men and his understanding of American institutions gave him what he needed to know.

Where did he learn these fundamentals? The outlines of his career suggest the answer, but they do not tell the full story. We see him as a patriotic citizen, participating in the public life of his country, serving successively as mayor, as president of the board of education and president of the park commissioners of Ann Arbor, Mich., and later in New York as a member of the city ambulance board and as health commissioner, before being elected to the Senate.

The recital of offices held and responsibilities fulfilled indicates his record as an official and as a citizen. It does not explain the man's deep-seated tolerance, nor the broadness of his vision. It does not explain why Senator COPELAND, an active and prominent adherent of one religious faith, stood fast to defend the rights of others to worship in accordance with the dictates of conscience.

He himself told us more. Addressing the Senate, he was able to review incidents of his career and to declare without fear: "Let no man say I am a convert to tolerance." As he went on there emerged the picture of him as a boy and young man, instructed by his father in respect for the beliefs of others. Then, while a young physician, he observed the attacks being made by an un-American organization on those professing a particular religious belief. It did not

matter to him that he was not the object of the attack. He denounced the organization; he sponsored public meetings in opposition to it, for, as he said:

The political activities of that organization and its acts of oppression, discrimination, and social indecency caused indignation in my soul because of the spirit of tolerance given me by my father.

The attitude of mind that he showed then entered into what he was to do later. He brought the same spirit with him to the Senate. It was apparent in his personal dealings with his fellow Senators; it was a part of his approach to public questions. Born and taught to respect the ideas and opinions of others, his life as an individual and as a public servant was free of hatred and prejudice. It was this spirit that ran throughout the performance of all his work that gave warmth to the friendship we had for him when he walked among us and gave us cause to revere his memory today and always.

TWENTY-FIFTH SESSION, INTERNATIONAL STATISTICAL INSTITUTE

The VICE PRESIDENT laid before the Senate the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Relations:

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State to the end that legislation may be enacted to amend Public Resolution No. 46, approved August 9, 1935, to authorize and request the President to invite foreign governments to be represented by delegates at the twenty-fifth session of the International Statistical Institute, to be held in the United States in 1940, and to authorize an appropriation of the sum of \$5,000, or so much thereof as may be necessary, for participation by the United States in the meeting.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 7, 1939.

[Enclosure: Report.]

PURCHASE OF LAND, ETC., FOR RADIO MONITORING STATION

The VICE PRESIDENT laid before the Senate a letter from the Acting Chairman of the Federal Communications Commission, transmitting a draft of proposed legislation to authorize the purchase of land, buildings, antenna systems, and appurtenances for use as a radio monitoring station, and for other purposes, which, with the accompanying paper, was referred to the Committee on Interstate Commerce.

CIRCUIT COURT OF APPEALS FOR PATENTS—CHANGE OF REFERENCE OF PAPERS

On motion by Mr. ASHURST, the Committee on the Judiciary was discharged from the further consideration of a letter from the Secretary of Commerce, transmitting a draft of proposed legislation to establish a Circuit Court of Appeals for Patents, and the letter, with the accompanying paper, was referred to the Committee on Patents.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a resolution of the San Francisco-Oakland (Calif.) Newspaper Guild, protesting against the enactment of legislation depriving non-citizens of the right to work on Works Progress Administration projects, to deport certain noncitizens to concentration camps, etc., which was referred to the Committee on Appropriations.

He also laid before the Senate a resolution of the San Francisco-Oakland (Calif.) Newspaper Guild, favoring a deficiency appropriation for the Works Progress Administration of \$50,000,000 for the balance of the fiscal year ending June 30, 1939, and a sufficient appropriation to provide an average of 3,000,000 public-works jobs for the fiscal year beginning July 1, 1939, which was referred to the Committee on Appropriations.

He also laid before the Senate resolutions of the American Legion, Department of Puerto Rico, San Juan, P. R., favoring the enactment of legislation providing Federal aid to education, which was referred to the Committee on Education and Labor.

He also laid before the Senate a resolution adopted by the Fifth Annual Commodore John Barry Pilgrimage at St. Mary's Cemetery, Philadelphia, Pa., held under the auspices of the County Wexford Association of New York, favoring the enactment of legislation to honor the memory of Commodore John Barry on the occasion of the bicentenary (1945) of his birth by presenting to the Irish Nation a memorial which will be commensurate with the services of John Barry, which was referred to the Committee on Foreign Relations.

He also laid before the Senate a letter in the nature of a petition from Edwin Ray Potter, of the Bronx, New York City, praying for an investigation of alleged subversive activities against the United States in a C. C. C. company in the vicinity of Murray, Utah, which was referred to the Committee on the Judiciary.

He also laid before the Senate a letter in the nature of a petition from the Medical and Chirurgical Faculty of Maryland, Baltimore, Md., praying for the enactment of legislation to provide for the construction of a new fireproof Army medical library in Washington, D. C., which was referred to the Committee on Military Affairs.

He also laid before the Senate a joint resolution of the Legislature of the Territory of Hawaii, favoring the enactment of legislation by the Congress to amend sections 203 (4), 204 (4), 207 (1), 208 (3), 209 (1), 215 (2), 220, and 224 of the Hawaiian Homes Commission Act of 1920, which was referred to the Committee on Territories and Insular Affairs.

Mr. LODGE presented a letter in the nature of a petition from Mrs. Charles A. Carpenter, of Seekonk, Mass., praying for the enactment of legislation to take the profits out of war, and also praying for action to keep the Nation out of foreign wars and the Army and Navy of the United States out of foreign war zones, which was referred to the Committee on Foreign Relations.

Mr. WALSH presented letters in the nature of petitions from the Chambers of Commerce of Holyoke and Springfield, Mass., praying for the enactment of legislation to provide for the deepening of the navigation channel from Hartford, Conn., to Holyoke, Mass., which were referred to the Committee on Commerce.

He also presented telegrams and letters in the nature of memorials from the West Springfield Board of Selectmen; the Holyoke Taxpayers' Association, by George B. Fowler, president; the Chamber of Commerce of West Springfield; the Eastern States Farmers' Exchange, by Quentin Reynolds, general manager; and the Springfield Taxpayers' Association, Inc., of Springfield, all in the State of Massachusetts, remonstrating against the enactment of legislation providing for the deepening of the navigation channel from Hartford, Conn., to Holyoke, Mass., which were referred to the Committee on Commerce.

RESTRICTION OF IMMIGRATION AND DEPORTATION OF CERTAIN ALIENS

Mr. REYNOLDS presented a resolution adopted by the Texas Young Democrats of the District of Columbia, which was referred to the Committee on Immigration and ordered to be printed in the RECORD, as follows:

Whereas the Honorable ROBERT R. REYNOLDS, a Senator in Congress from the State of North Carolina, has introduced in the Senate five bills, Nos. 407, 408, 409, 410, and 411, to reduce further immigration, to authorize the exclusion of any alien whose entry into the United States is inimical to the public interest, to prohibit the separation of families through the entry of aliens leaving dependents abroad, to provide for the national defense by the registration of aliens in the United States, to protect American labor and stimulate the employment of American citizens on American jobs, to provide for the deportation of aliens subsisting on relief under certain circumstances, and to provide for the deportation of aliens dangerous to the public interest; and

Whereas these subjects are of vital interest to the preservation of the welfare and happiness of the American people; and

Whereas it is believed that if such bills became the law of the land that the United States would be a better place in which to live: Therefore be it

Resolved, That the Texas Young Democrats of the District of Columbia go on record as favoring the enactment of the above-mentioned bills into laws, and that the attention of the two Senators and the 21 Representatives in Congress from the State of Texas be invited to these important measures and that they be urged to vote for and to support actively these measures, and that

copies of this resolution be sent to each of them, and that a copy be sent also to the president of the Young Democratic Clubs of Texas, the chairman of the central committee of Young Democratic Clubs of the District of Columbia, and the executive secretary of the Young Democratic Clubs of America, Washington, D. C.

EMBARGO ON EXPORTATION OF WAR MATERIALS TO JAPAN

Mr. REYNOLDS. Mr. President, I have before me a letter from Greensboro, N. C., my State, signed by Miss Dorothy Shaw, secretary of the Greensboro Branch, American League for Peace and Democracy. She says:

MY DEAR SENATOR REYNOLDS: At a meeting in Greensboro of approximately 150 people, the attached resolution was unanimously approved. We request that this resolution be entered in the CONGRESSIONAL RECORD. It relates to an embargo upon the Japanese in their invasion of China.

Without expressing an opinion as to my attitude relative to that question, I ask that the resolution be embodied in the pages of the CONGRESSIONAL RECORD and appropriately referred. I am desirous of complying with the request of my constituent, Miss Shaw, regardless of whether or not our attitudes relative to the situation in the east are in accord.

The VICE PRESIDENT. Without objection, the resolution will be printed in the RECORD and referred to the Committee on Foreign Relations.

The resolution is as follows:

Whereas Japan has wantonly invaded China; and
Whereas over one-half of all foreign war materials used by Japan are being furnished by the United States: Be it therefore

Resolved, That we, a group of citizens of Greensboro, N. C., do respectfully urge the President of the United States and the Congress to support Senator KEY PITTMAN's Senate Resolution 123, which would embargo all materials of war to Japan; be it further

Resolved, That copies of this resolution be sent to Senator KEY PITTMAN, Senators ROBERT REYNOLDS and JOSIAH BAILEY, and to Congressman CARL DURHAM.

Respectfully submitted this the 11th day of May 1939.

GREENSBORO BRANCH, AMERICAN LEAGUE FOR
PEACE AND DEMOCRACY,
REV. ROBERT HARDEE, *Chairman*,
REV. J. A. VACHE,
MISS BETH CUNNINGHAM,
MISS VIRGINIA SATTERFIELD,
MR. ROSS CANADA,
MR. ENOCH PRICE,
MISS DOROTHY SHAW, *Boycott Committee*.

REPORTS OF COMMITTEES

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 2505) to amend an act to provide for the fifteenth and subsequent decennial censuses and to provide for apportionment of Representatives in Congress, approved June 18, 1929, so as to change the date of subsequent apportionments, reported it without amendment and submitted a report (No. 556) thereon.

Mr. BAILEY, from the Committee on Commerce, to which was referred the bill (S. 2503) to amend an act entitled "An act to authorize the establishment of a permanent instruction staff at the United States Coast Guard Academy," approved April 16, 1937, reported it without amendment.

Mr. LEE, from the Committee on Military Affairs, to which was referred the bill (S. 506) to provide for a more efficient and economical mileage table of distances and routes to apply for the payments of travel performed for the United States Government by the military personnel, Coast Guard, Coast and Geodetic Survey, and the Public Health Service, reported it with amendments and submitted a report (No. 557) thereon.

Mr. SCHWELLENBACH, from the Committee on Claims, to which was referred the bill (H. R. 2058) for the relief of Jessie Denning Van Eimeren, A. C. Van Eimeren, and Clara Adolph, reported it without amendment and submitted a report (No. 558) thereon.

He also, from the same committee, to which was referred the bill (H. R. 5722) for the relief of Evelyn Gurley-Kane, reported it with an amendment and submitted a report (No. 559) thereon.

He also, from the Committee on Agriculture and Forestry, to which was referred the bill (H. R. 2179) to ratify and confirm certain interest rates on loans made from the revolving fund authorized by section 6 of the Agricultural Marketing

Act, approved June 15, 1929 (46 Stat. 11), and for other purposes, reported it without amendment and submitted a report (No. 564) thereon.

He also, from the same committee, to which was referred the bill (S. 1955) to authorize the Secretary of Agriculture to delegate certain regulatory functions, and to create the position of Second Assistant Secretary of Agriculture, reported it with an amendment and submitted a report (No. 565) thereon.

Mr. SMATHERS, from the Committee on Claims, to which was referred the bill (H. R. 2251) for the relief of Russell Anderegg, a minor, and George W. Anderegg, reported it without amendment and submitted a report (No. 560) thereon.

Mr. HUGHES, from the Committee on Claims, to which was referred the bill (S. 2500) authorizing the Comptroller General of the United States to settle and adjust the claims of Mary Pierce and John K. Quackenbush, reported it without amendment and submitted a report (No. 561) thereon.

Mr. TOBEY, from the Committee on Claims, to which was referred the bill (H. R. 3077) for the relief of Adam Casper, reported it without amendment and submitted a report (No. 562) thereon.

Mr. BILBO, from the Committee on Commerce, to which was referred the bill (S. 1108) to restrict the exportation of certain Douglas fir peeler logs and Port Orford cedar logs, and for other purposes, reported it without amendment and submitted a report (No. 563) thereon.

Mr. SHEPPARD, from the Committee on Military Affairs, to which was referred the bill (H. R. 5436) to authorize the grant of a sewer right-of-way and operation of sewage-treatment plant on the Fort Niagara Military Reservation, N. Y., by the village of Youngstown, N. Y., reported it without amendment and submitted a report (No. 566) thereon.

Mr. HILL, from the Committee on Military Affairs, to which was referred the bill (S. 2327) to authorize the President to appoint Frank T. Hines a brigadier general in the Army of the United States, reported it without amendment and submitted a report (No. 567) thereon.

Mr. MCKELLAR, from the Committee on Appropriations, to which was referred the bill (H. R. 6392) making appropriations for the Departments of State and Justice, and for the judiciary, and for the Department of Commerce, for the fiscal year ending June 30, 1940, and for other purposes, reported it with amendments and submitted a report (No. 568) thereon.

Mr. GURNEY, from the Committee on Military Affairs, to which was referred the bill (S. 650) relative to the military record of Frank I. Otis, deceased, reported it with an amendment to the title and submitted a report (No. 569) thereon.

Mr. KING, from the Committee on the District of Columbia, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

S. 2147. A bill to amend the act of Congress entitled "An act to define, regulate, and license real-estate brokers, business-chance brokers, and real-estate salesmen; to create a Real Estate Commission in the District of Columbia; to protect the public against fraud in real-estate transactions; and for other purposes," approved August 25, 1937 (Rept. No. 570);

H. R. 4745. A bill relating to benefit assessments from condemnation proceedings for the opening, extension, widening, or straightening of alleys or minor streets (Rept. No. 571);

H. R. 4940. A bill to authorize the furnishing of steam from the central heating plant to the District of Columbia (Rept. No. 572);

H. R. 5488. A bill to provide for the widening of Wisconsin Avenue in the District of Columbia, and for other purposes (Rept. No. 573); and

H. R. 5987. A bill to amend the District of Columbia Traffic Act of 1925 (43 Stat. 1119) (Rept. No. 574).

Mr. KING also, from the Committee on the District of Columbia, to which was referred the bill (S. 2010) to authorize the board of directors of the Columbia Institution for the Deaf to dedicate a portion of Mount Olivet Road NE., and

to exchange certain lands with the Secretary of the Interior, to dispose of other lands, and for other purposes, reported it with amendments and submitted a report (No. 575) thereon.

Mr. AUSTIN, from the Committee on the District of Columbia, to which was referred the bill (S. 1805) to establish a lien for moneys due hospitals for services rendered in cases caused by negligence or fault of others and providing for the recording and enforcing of such liens, reported it without amendment and submitted a report (No. 576) thereon.

Mr. HOLMAN, from the Committee on the District of Columbia, to which was referred the bill (H. R. 5066) to amend the act entitled "An act to regulate proceedings in adoption in the District of Columbia," approved August 25, 1937, reported it without amendment and submitted a report (No. 577) thereon.

Mr. CAPPER, from the Committee on the District of Columbia, to which was referred the bill (H. R. 5680) to amend section 1 of the act entitled "An act to authorize the Philadelphia, Baltimore & Washington Railroad Co. to extend its present track connection with the United States navy yard so as to provide adequate railroad facilities in connection with the development of Buzzards Point as an industrial area in the District of Columbia, and for other purposes," approved June 18, 1932 (Public, No. 187, 72d Cong.), reported it without amendment and submitted a report (No. 578) thereon.

Mr. SLATTERY, from the Committee on the District of Columbia, to which was referred the bill (H. R. 5801) to grant permission for the construction, maintenance, and use of a certain underground conduit for electrical lines in the District of Columbia, reported it without amendment and submitted a report (No. 579) thereon.

Mr. CLARK of Missouri, from the Committee on Commerce, to which were referred the following bills, reported them each with amendments and submitted reports thereon:

S. 2119. A bill to provide for the training of civil aircraft pilots, and for other purposes (Rept. No. 580); and

H. R. 5619. A bill to provide for the training of civil aircraft pilots, and for other purposes.

Mr. PEPPER, from the Committee on Commerce, to which was referred the bill (H. R. 5966) to establish a Coast Guard Reserve to be composed of owners of motorboats and yachts, reported it without amendment and submitted a report (No. 582) thereon.

He also, from the same committee, to which was referred the bill (S. 1852) to promote the free flow of domestically produced fishery products in commerce, and for other purposes, reported it with amendments and submitted a report (No. 583) thereon.

Mr. REYNOLDS, from the Committee on the District of Columbia, to which was referred the bill (S. 1575) to provide that the annual registration of motor vehicles in the District of Columbia shall be for the period from April 1 in each year to March 31 in the succeeding year, reported it with an amendment and submitted a report (No. 584) thereon.

BLOCK BOOKING AND BLIND SELLING OF MOTION-PICTURE FILMS— MINORITY VIEWS

Mr. SMITH, as a member of the Committee on Interstate Commerce, submitted views of the minority of the committee on the bill (S. 280) to prohibit and to prevent the trade practices known as "compulsory block-booking" and "blind selling" in the leasing of motion-picture films in interstate and foreign commerce, which were ordered to be printed as part 2 of Report No. 532.

ENROLLED BILLS AND JOINT RESOLUTION PRESENTED

Mrs. CARAWAY, from the Committee on Enrolled Bills, reported that that committee presented to the President of the United States the following enrolled bills and joint resolution:

On June 6, 1939:

S. 572. An act to provide for the common defense by acquiring stocks of strategic and critical materials essential to the needs of industry for the manufacture of supplies for the armed forces and the civilian population in time of a national emergency, and to encourage, as far as possible, the

further development of strategic and critical materials within the United States for common defense.

On June 7, 1939:

S. 50. An act to provide for recognizing the services rendered by civilian officers and employees in the construction and establishment of the Panama Canal and the Canal Zone;

S. 499. An act to amend the act entitled "An act making appropriations for the naval service for the fiscal year ending June 30, 1910, and for other purposes," approved March 3, 1909, as amended, so as to extend commissary privileges to civilian officers and employees of the United States at naval stations beyond the continental limits of the United States or in Alaska;

S. 509. An act to add certain lands of the Front Royal Quartermaster Depot Military Reservation, Va., to the Shenandoah National Park, and for other purposes;

S. 588. An act to provide for an additional midshipman at the United States Naval Academy, and for other purposes;

S. 1409. An act to authorize the conveyance by the United States to the town of Bristol, Maine, of a portion of the Pemaquid Point Lighthouse Reservation, and for other purposes;

S. 1879. An act to amend the United States mining laws applicable to the area known as the watershed of the headwaters of the Bonito River in the Lincoln National Forest within the State of New Mexico;

S. 1982. An act to convey certain property to the city of El Campo, Tex.;

S. 2149. An act to add certain lands to the Papago Indian Reservation in Arizona;

S. 2404. An act to authorize the disposal of the Portland, Oreg., old courthouse building; and

S. J. Res. 138. Joint resolution providing that reorganization plans Nos. I and II shall take effect on July 1, 1939.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. LOGAN:

S. 2565. A bill to promote the efficiency of the national defense; to the Committee on Military Affairs.

By Mr. BAILEY:

S. 2566. A bill to amend the Merchant Marine Act, 1936, as amended, to provide for marine war-risk insurance and reinsurance and for marine-risk reinsurance, and for other purposes; to the Committee on Commerce.

By Mr. LUCAS:

S. 2567. A bill to confer jurisdiction upon the Court of Claims to hear, determine, and render judgment upon the claim of the Velle Motors Corporation; to the Committee on Claims.

By Mr. SHEPPARD:

S. 2568. A bill to amend the Federal Credit Union Act (June 26, 1934, c. 750, par. 1, 48 Stat. 1216, sec. 1761); to the Committee on Banking and Currency.

S. 2569. A bill to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplementary thereto; to the Committee on the Judiciary.

By Mr. SCHWELLENBACH:

S. 2570. A bill for the relief of Mary Boyd; to the Committee on Claims.

By Mr. PEPPER:

S. 2571. A bill to provide for the erection of a memorial to Stephen Collins Foster on the banks of the Suwannee River, Fla.; to the Committee on the Library.

By Mr. McNARY:

S. 2572. A bill for the relief of Anna M. Shea; to the Committee on Claims.

By Mr. ELLENDER:

S. 2573. A bill to amend the Agricultural Adjustment Act of 1938, as amended, for the purpose of regulating interstate and foreign commerce in rice and providing for the

orderly marketing of rice at fair prices in interstate and foreign commerce; to the Committee on Agriculture and Forestry.

By Mr. TOWNSEND and Mr. HUGHES:

S. 2574. A bill authorizing the construction of a highway bridge across the Chesapeake and Delaware Canal at St. Georges, Del.; to the Committee on Commerce.

By Mr. HILL:

S. 2575. A bill to provide pensions, compensation, retirement pay, and hospital benefits for certain Reserve officers of the Army of the United States; to the Committee on Military Affairs.

By Mr. PITTMAN:

S. 2576. A bill to authorize the expenditure of the receipts from migratory bird and wildlife refuges or other areas or projects operated or controlled by the Bureau of Biological Survey, United States Department of the Interior, for the protection of such refuges, areas, or projects and wildlife thereon, and for other purposes; to the Special Committee on Conservation of Wildlife Resources.

(Mr. NYE introduced S. J. Res. 149, which was referred to the Committee on Appropriations, and appears under a separate heading.)

By Mr. LUNDEEN:

S. J. Res. 150. Joint resolution proposing an amendment to the Constitution of the United States relating to old-age assistance; to the Committee on the Judiciary.

ERADICATION OF GRASSHOPPERS

Mr. NYE. Mr. President, an emergency of large proportions is confronting a number of States of the Northwest. It will be recalled by every Member of the Senate that during the past 2 years there have been requests for appropriations for the eradication of grasshoppers. At the beginning of this year the Bureau of Entomology, feeling that the threat was unusually great, indicated what would be the need if the grasshopper eradication work were to be carried on to the degree they thought necessary. Their request was for something more than \$5,000,000.

In the first deficiency bill the Congress allowed a total of \$3,000,000 for this purpose. It soon developed that that was not nearly adequate, and the Senate wrote into the regular appropriation bill for the Agricultural Department an additional sum in the amount of \$2,417,000. That bill is tied up in conference at the present time, and, perhaps, will remain in conference for a matter of a week and probably 2 weeks. In any event, we are confronted now with the fact that the moneys which have been appropriated and which are so essential at this particular time will be exhausted by June 10.

The threat and danger are much greater than in any preceding year. A desperate effort is being made to cope with the situation that presents itself. The conferees of the House and of the Senate, dealing this morning with the agricultural appropriation bill, were consulted, and there was general agreement that there was no hope that the conference could be concluded and action taken on the regular appropriation bill anywhere near June 10. It is my best advice that the Senate should start a proceeding whereby this particular amount of money might be secured separately and with speed. So I am introducing a joint resolution providing for the appropriation of the \$2,417,000. The full Committee on Appropriations of the Senate is meeting this afternoon. I shall try to win consideration of that committee for this measure and expedite it so far as it is possible, if only the Senate will cooperate to the extent asked. I send the joint resolution to the desk and request that it may be referred at once to the Committee on Appropriations.

The VICE PRESIDENT. Is there objection?

There being no objection, the joint resolution (S. J. Res. 149) making an appropriation for the control of outbreaks, of insect pests was read twice by its title and referred to the Committee on Appropriations.

HOUSING ACT OF 1937—AMENDMENT

Mr. KING submitted an amendment intended to be proposed by him to the bill (S. 591) to amend the United States

Housing Act of 1937, and for other purposes, which was ordered to lie on the table and to be printed.

HOSPITALIZATION OF CERTAIN PERSONS OF THE UNITED STATES FORCES—AMENDMENTS

Mr. REYNOLDS submitted amendments intended to be proposed by him to the bill (S. 2304) to provide for hospitalization of certain persons who have served in the Regular Army, Navy, or Marine Corps, which were referred to the Committee on Military Affairs and ordered to be printed.

STABILIZATION FUND AND WEIGHT OF THE DOLLAR—REPEAL OF SILVER PURCHASE ACT OF 1934—AMENDMENT

Mr. TOWNSEND submitted an amendment intended to be proposed by him to the bill (H. R. 3325) to extend the time within which the powers relating to the stabilization fund and alteration of the weight of the dollar may be exercised, which was ordered to lie on the table and to be printed.

THE UNITED STATES ARMY

Mr. SHEPPARD. Mr. President, I desire to present for reference to the Committee on Printing, with a view to having it made a public document, a manuscript containing a general description of The Army of the United States and its components, its arms, services, and bureaus, and its military and nonmilitary activities.

For years there has been a general demand for a publication of this character, and I believe it should be printed and distributed throughout the United States.

A similar pamphlet entitled "The United States Navy" was printed during the Seventy-fifth Congress, first session, Senate Document 35, and has been of general interest and great informative value.

The VICE PRESIDENT. Without objection, the manuscript and accompanying material will be received and referred to the Committee on Printing.

FOREIGN POLICY OF THE UNITED STATES

Mr. CAPPER. Mr. President, I believe this Congress is to face a real test in the next few weeks on what shall be the foreign policy of the United States.

We are to be called upon to determine whether the Government of the United States shall attempt to remain neutral as regards Old World conflicts, or whether the Government of the United States is to be empowered, and thereby instructed, to throw its influence and resources in favor of certain nations, and against certain other nations, in the age-old game of power politics in Europe.

The campaign to authorize the President of the United States to participate in the preliminary war moves of European powers with whom the majority of the people of the United States are in sympathy, will, in my judgment, center on repeal of the arms embargo provisions of the present Neutrality Act.

I believe the embargo provisions should be retained by all means. Sales of arms and munitions of war are an open door to our own entry into any major European conflict.

I believe the majority of people in the Missouri-Mississippi Valley feel much the same as I do about it. I am confident that is the general sentiment in my State of Kansas, based on hundreds of petitions and many hundreds of letters I have received in the past months.

It is my opinion that Congress, instead of repealing the embargo provisions and thereby weakening the present Neutrality Act, should strengthen it by enacting something like the Nye-Bone-Clark bill. This plan will have my full support when this matter comes before the Senate.

I also intend to support and work for submission of the proposed war referendum amendment to the Constitution. I am thoroughly convinced that this proposed amendment, safeguarded as it is to give the President and the Congress full power to take whatever measures are necessary to defend the United States and all its Territories, and also to defend the Western Hemisphere against outside aggression, would be ratified by the people if submitted to them.

I do not intend to take the time of the Senate today to enter into a prolonged discussion of the subject of foreign relations, but simply want to make my position plain.

I ask unanimous consent to have printed in the RECORD a resolution adopted by the Sunflower Club of Larned, Kans., and a few short letters received by me from citizens of Kansas who are opposed to the repeal of the embargo.

There being no objection, the resolution and letters were ordered to be printed in the RECORD, as follows:

LARNED, KANS., May 31, 1939.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: We the undersigned members of the Ash Valley Sunflower Club, Pawnee County, Larned, Kans., wish to go on record as opposing any change in the present Neutrality Act.

Yours truly,

Nellie Griffith (secretary), Mrs. Al Seltman, Mrs. Robert Walker, Mrs. Elmer Seeman, Mrs. Lura M. Logan, Mrs. G. A. Yeager, Fannie Weisensec, Mildred Reed, Anna Fox, Gertrude Hermes, Mrs. Lynden Almquist, Mrs. George Seeman, Jr., Mrs. Frank Kirby, Mrs. Verne Dryden, Mrs. Dollie Yeager, Mrs. E. L. Kirkwood, Mrs. Gail Griffith, Mrs. Joe Dolezal, Thelma Fox, Clara M. Yeager, Mrs. Ray Almquist, Mrs. Lawrence Murphy, Mrs. Guy Wood, Mrs. George Griffith, Mrs. Walter Fox.

GARDEN CITY, KANS., May 19, 1939.

Senator ARTHUR CAPPER,
Washington, D. C.

DEAR SIR: As one of the farmers in the western part of Kansas, I wish to remind you that we farmers out here want you to do your utmost to keep America out of war, even though a general war would mean an increase in the prices of farm products. We do not want war.

Sincerely yours,

LEO FRIESEN.

120½ EAST FOURTH STREET,
Pittsburg, Kans., April 20, 1939.

Hon. ARTHUR CAPPER,
United States Senator, Washington, D. C.

DEAR SENATOR: Odd as it may seem, due to our previous experience, some of our leaders, high in governmental affairs, are actually fostering and propagating our intrusion in other countries' business. By so doing they are thereby helping to create another war where we surely under those conditions would become involved.

Nations of the Old World have old and new accounts to settle among themselves, and it seems to me that fact is none of our business when they settle or how they settle. Of course, should they choose war it would be of some concern to us, due to our economic dislocation and other factors involved. Those facts of themselves are so insignificant for us in comparison with the cost and monstrosity of a great war that the use of such argument should make anyone blush with shame.

Those countries over there, to whom we address our insolent invectives, undoubtedly resent our interference as we would resent theirs were we in the same position. The idea that we should have special privileges due to our greater investments is very unjust. It is a well-known fact that a shabby, small home to a poor man is just as dear a possession to him as is a large and beautiful mansion to a rich one—the former more so, for the very fact that he is poor, therefore suffering a sense of lack plus injury to his pride.

No! No! It cannot be any of our business!

I therefore, considering the eminence of your position in the affairs of this great Republic, pray you, dear Senator, to utilize all of your outstanding influence to keep this Nation out of European or Asiatic entanglements. I feel sure you will thereby be contributing in a large measure, if not wholly, in preventing to our people the inevitable catastrophic consequences of another war.

May God inspire you to take this course.

Your devoted and humble servant,

JOHN PETRUCCI,
United States Veteran of the World War.

LA CYGNE, KANS.

Isn't it too bad that our country should be discussing whether or not we should enter the disgraceful quarrels of Europe? Every man, woman, and child before this should have risen above this state of mind. It isn't reasonable that our Congress should be wrangling over this matter. A friendly, legitimate trade with all countries alike. Why do we take sides and make enemies? Any of them are our friend only as they need us and their promise a piece of paper. After reflection, I am heartily ashamed of our part in the World War. England is at the bottom of most of it. "Propaganda" the curse of the world.

J. T. GOSS,
MARGARET GOSS.

DAWN, MO.

ARTHUR CAPPER,
Topeka, Kans.

DEAR SIR: I want to congratulate you on the work you are trying to do to keep us out of war.

It is heartbreaking to think of our boys giving their lives to make millionaires out of some big men. I think their money should be used as long as possible to save the lives of our young

men. It is no wonder our generation of boys today are disheartened as I have heard several say.

If the boys could line the men up who are advocating war and shoot at them first, probably that would end this war.

Yours truly,

Mrs. W. T. SYKES.

SPIVEY, KANS., May 29, 1939.

DEAR MR. CAPPER: I, the mother of two grown sons, am very proud of our Nation for the stand for peace that is taken, but when I learn that we are furnishing Japan 54 percent of her war materials and buying 90 percent of her silk, I am heartsick and am sending my humble protest against it.

We are our brother's keeper, and, Mr. CAPPER, as Kansas Senator, will you please do all in your power to keep the United States from aiding any country to carry on war?

Respectfully yours,

Mrs. HARRY BERTHOLF.

STUDLEY, KANS., May 23, 1939.

Senator ARTHUR CAPPER,

DEAR SIR: I don't really think it's necessary for me to send these petitions as you have enough backbone to support them whether the voters support you or not. But I believe this printed form lacks one thing and that is to support a good-neighbor policy, the lack of which I believe is the most fundamental cause of war there is, except, of course, the personal ambition of certain individuals. Many countries, like Germany, have a very serious need for necessary articles. If we make a real effort to supply those needs in exchange for things we need, and make especial efforts to treat them as neighbors and not enemies, I think would help more than anything else to make permanent peace.

Had the Allies treated Germany at the close of the war 20 years ago as the North treated the South at the end of the Civil War I believe there would have been no more thought of war than there now is between the North and South.

But to follow this policy would mean sacrifice sometimes. We farmers might have to take less for goods we sell. Manufacturers might have to sell lower.

T. E. McCLELLAND.

OVERLAND PARK, KANS., April 29, 1939.

Hon. Senator ARTHUR CAPPER,

United States Senator from Kansas, Washington, D. C.

MY DEAR SENATOR: I heard with much interest and pride your remarks immediately after the Hitler broadcast. Practically every President we have had in office at a time of unrest in Europe has been unable to resist the temptation of dabbling in European affairs, usually to the detriment of the United States. I think the present situation has shown that there is a real danger in entrusting the foreign policy of this country to any one individual, no matter who he may be or how earnest his desire for the cause of peace. The responsibility is too great to be borne by one person. Would it be practical to design legislation to place the formulation of foreign policy in the hands of the President and a committee from the Senate. The suggestion may not be of value, but, anyway, it is a thought.

Very truly yours,

C. E. HAVEKOTTE.

TOPEKA, KANS., May 15, 1939.

Senator ARTHUR CAPPER,

Washington, D. C.

DEAR SENATOR CAPPER: We, the undersigned, in a common feeling against the United States entering any war whatsoever, are writing to register our protest against any legislation which would allow us to become involved in war. We are relying upon you to help preserve our democracy by creating a neutrality which will keep us absolutely neutral.

We realize your long-established, wide, and strong influence in Washington, Mr. CAPPER, and from the fine stands you have taken in other instances we feel sure you will use that influence to save American manhood for America.

Mr. J. Blood Coats, Caroline K. Walbridge, Barbara Olinger, Mrs. Otis S. Allen, Mary E. Hopkins, Mrs. Frank Nuss, Mrs. Harry Corby, Bess K. Hunter, Elizabeth LaRue, Barbara Page, Mary E. Dudley (president), Josephine Newell, Mrs. Wilson W. McCoy, Mrs. O. K. Johnson, Mrs. Howard M. Immel, Peggy Morgan, Mrs. W. Warren Rutter, Margie Sparing, Mrs. Ruth Hogue (members of Kappa Kappa Gamma present at a recent meeting).

ADDRESSES BY SENATOR JOHNSON OF COLORADO AND SENATOR NYE AT LUNCHEON OF PEOPLE'S LOBBY

[Mr. LA FOLLETTE asked and obtained leave to have printed in the RECORD an address entitled "A War on Poverty or a Foreign War," delivered by Senator Johnson of Colorado, and an address entitled "Do British and European Imperialisms Differ?" delivered by Senator Nye, at the luncheon of the People's Lobby, Wesley Hall, Washington, D. C., June 3, 1939, which appear in the Appendix.]

LXXXIV—426

OUR COUNTRY, OUR CITIZENS FIRST—ADDRESS BY SENATOR REYNOLDS

[Mr. REYNOLDS asked and obtained leave to have printed in the RECORD a radio address recently delivered by himself on the subject Our Country, Our Citizens First, which appears in the Appendix.]

ADDRESS BY SENATOR SCHWELLENBACH TO CONVENTION OF YOUNG DEMOCRATS OF STATE OF WASHINGTON

[Mr. MINTON asked and obtained leave to have printed in the RECORD an address delivered by Senator SCHWELLENBACH to the convention of Young Democrats of the State of Washington at Walla Walla, Wash., June 2, 1939, which appears in the Appendix.]

CONFEDERATE MEMORIAL DAY ADDRESS BY SENATOR PEPPER

[Mr. HILL asked and obtained leave to have printed in the RECORD an address delivered by Senator PEPPER on June 4, 1939, at Arlington National Cemetery in commemoration of Confederate Memorial Day, which appears in the Appendix.]

DRAFT OF CAPITAL IN CASE OF WAR—ADDRESS BY SENATOR LEE

[Mr. SHEPPARD asked and obtained leave to have printed in the RECORD a radio address on the subject of the draft of capital in case of war delivered by Senator LEE on June 3, 1939, which appears in the Appendix.]

LOANS TO SMALL ENTERPRISE—ADDRESS BY SENATOR MEAD

[Mr. LEE asked and obtained leave to have printed in the RECORD a radio address delivered by Senator MEAD in Washington, D. C., on May 31, 1939, on the subject Loans to Small Enterprise, which appears in the Appendix.]

ADDRESS BY HON. JAMES A. FARLEY BEFORE GREAT LAKES REGIONAL CONFERENCE OF DEMOCRATIC WOMEN

[Mr. BARKLEY asked and obtained leave to have printed in the RECORD an address delivered by Hon. James A. Farley before the Great Lakes Regional Conference of Democratic Women at Columbus, Ohio, May 11, 1939, which appears in the Appendix.]

RESOLUTION OF REPRESENTATIVE COTTON ORGANIZATIONS AND DEALERS AT MEETING IN DALLAS, TEX.

[Mr. LEE asked and obtained leave to have printed in the RECORD a resolution adopted by a meeting of representative cotton men held in Dallas, Tex., May 21, 1939, which appears in the Appendix.]

ADDRESS BY RT. REV. MGR. JOHN A. RYAN

[Mr. GUFFEY asked and obtained leave to have printed in the RECORD the address delivered by Rt. Rev. Mgr. John A. Ryan, D. D., of the Catholic University, on the occasion of the testimonial dinner tendered to him in Washington, D. C., on May 25, 1939, which appears in the Appendix.]

AMENDMENT OF NATIONAL HOUSING ACT OF 1937

The Senate resumed the consideration of the bill (S. 591) to amend the United States Housing Act of 1937, and for other purposes.

Mr. ELLENDER. Mr. President—

The VICE PRESIDENT. Before the Senator from Louisiana proceeds, will he permit the Chair to state that he regrets that on yesterday he did not observe in the RECORD the request of the Senator from Louisiana to be recognized, or else he would have recognized him? He apologizes to the Senator from Louisiana, as well as to the Senate, for not attending to his duty more faithfully.

Mr. ELLENDER. Mr. President, before proceeding to a discussion of the amendments to the Housing Act contained in the pending bill I shall elaborate some of the statements made by me yesterday in answer to the arguments advanced by the Senator from Maryland [Mr. TYDINGS].

The handling of all projects is divided into two distinct parts: First, the financing of the development or construction of a project; secondly, the payment of Federal and local annual subsidies to the completed project to bring down the rents. I shall now discuss the first proposition; that is, with reference to the financing of the development.

These two propositions must be held separate and apart in the minds of Members of the Senate. Two separate and

distinct contracts are entered into between the United States Housing Authority and the local authority. The first contract deals exclusively with the financial end; the matter of obtaining the money with which to build the project. The second contract deals entirely with the subsidies which are to be paid by the United States Housing Authority and the local authorities. The financing of the development or construction of a project is entirely on an investment-loan basis. The local housing authority borrows not more than 90 percent of the development or construction cost from the United States Housing Authority. That is provided for in the bill. The limitation is written in the statute.

The local authority borrows not less than 10 percent of the development or construction cost of the project from local sources other than the Federal Government. Whether it be borrowed from the city, from local banks, or from other private investors, the point is that the money does not come from the Federal Government. The 90-percent Federal loan is evidenced by the obligations of the local housing authority, and is to be repaid in full, principal and interest, with an interest rate fixed by statute under a prescribed formula. Under said formula the rate of interest today is 3 percent. The 10 percent borrowed from local sources is also evidenced by the obligations of the local housing authority, and is to be repaid in full, principal and interest, with an interest rate which is generally not less than 3 percent, depending on the going Federal rate of interest.

The local loan, like the Federal loan, must be raised in cash, because cash is required to build a housing project. Under the law the 90 percent of the development cost borrowed from the U. S. H. A. cannot be advanced until the local housing authority has made arrangements to raise the 10 percent in cash from sources other than the Federal Government. The project cannot be completed and opened until the 10 percent borrowed locally is raised in cash, as well as the 90 percent borrowed from the Federal Government.

Now, let me read an excerpt from one of the contracts, which is in the usual form of contracts entered into between the U. S. H. A. and the local authority. Under section 3 of the contract it is specifically provided that—

The U. S. H. A. shall be under no obligation to the local authority to take up and pay for any bonds.

And then the contract sets out various conditions under which there shall be no such obligation. Among them is the following, under (c):

If the local authority shall not have obtained or entered into a contract to obtain in a form and upon terms satisfactory to the U. S. H. A. assistance equivalent to at least \$60,000—

In this case; that is, in the case of the particular contract from which I am now reading—

toward meeting the development cost of the project from sources other than the U. S. H. A.

The contract from which I am reading is one that was executed between the Housing Authority and a local housing authority in Annapolis, Md. The total amount of loan that the U. S. H. A. agreed to make to the housing authority at Annapolis, Md., aggregated \$478,000, and the local authority agreed to put up \$60,000, which, as can be readily seen, is in excess of the limitation placed in the statute of not less than 10 percent.

Both the Federal 90 percent and the local 10 percent are on a strict loan basis. There is no Federal subsidy of any kind in the development or construction of a project, and no local subsidy of any kind is required by the act in the development or construction of a project. Therefore, the necessity for differentiating between the two propositions. The entire development or construction of a project is a matter of interest-bearing loans, a matter of Federal and local investment.

At the present time only 10 percent of the development loan cost of a project is being borrowed by the local housing authority from sources other than the Federal Government.

Ninety percent of the development loan cost of a project is being borrowed from the Federal Government. The United States Housing Authority is trying to encourage the local housing authorities to borrow much more than 10 percent of the cost for the development or construction of a project from sources other than the Federal Government, in order that the Federal loans for development or construction may be cut down to less than 90 percent. That is one of the purposes of an amendment to section 6 of the act, provided in the pending bill, which would make the obligations of local housing authorities available for investment by national banks. It will be readily seen that if the amendment is adopted, many of the bonds can be sold to private investors.

The time probably is near at hand when the local housing authority will borrow 20 or 30 or 50 percent of the development or construction cost of a project from sources other than the Federal Government, leaving only 80, 70, or 50 percent of the loans for the development cost of the project to be supplied by the Federal Government. This is a healthy tendency, because it will encourage the gradual investment of idle private capital in the development of housing projects.

It is an essential feature of the United States Housing Authority plan that the whole original development or construction cost of a project is kept on a strict loan or investment basis; the loan feature must not be confused with the subsidy.

Mr. VANDENBERG. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. HERRING in the chair). Does the Senator from Louisiana yield to the Senator from Michigan?

Mr. ELLENDER. I yield to the Senator.

Mr. VANDENBERG. I do not want to interrupt the continuity of the Senator's argument; but before he goes into further detail I wonder if he will permit me to ask him one or two general questions about the financial phase of the matter.

Mr. ELLENDER. Gladly.

Mr. VANDENBERG. If the pending bill is passed, how much will it add to the Federal Budget for the next fiscal year?

Mr. ELLENDER. If the bill is passed, no subsidies of any kind will be asked for until the projects are completed.

To give the Senator specific figures, the present Budget from the Interior Department asks for only \$5,000,000 for subsidizing housing projects which have been completed, or are now being built, and will be completed this year.

The Government does not contribute a nickel of subsidy toward reducing rents until the lessees occupy the projects, and if the projects authorized under this bond issue are not completed before 1942, the Federal Government will not have to advance a penny of subsidy until that time.

Mr. VANDENBERG. What will be the maximum additional budgetary burden if the bill shall be enacted?

Mr. ELLENDER. \$73,000,000 for—

Mr. VANDENBERG. Additional?

Mr. ELLENDER. No; \$45,000,000 additional.

Mr. VANDENBERG. I have read the committee report, and the reference to the Bureau of the Budget seems to be rather cryptic. I am unable to make out whether or not the Bureau of the Budget is favorable or unfavorable, or just quiescent. What does the final paragraph of the report mean in its reference to the Bureau of the Budget?

Mr. ELLENDER. On page 12?

Mr. VANDENBERG. Yes.

Mr. ELLENDER. That refers to the amendment contemplated in the sixth section of the bill, proposing an amendment to the Banking Act giving these securities the same standing, as it were, with other Government securities, so that national banks may purchase them, may invest in them. The reason for the amendment is that instead of selling

these bonds to the Government itself, the idea is to get as many of them purchased by private institutions as possible.

Mr. VANDENBERG. But this paragraph seems to refer to the enactment of the bill, not to any particular section of it.

Mr. ELLENDER. To which paragraph is the Senator referring? There are three on that page.

Mr. VANDENBERG. The final paragraph. I am referring to the fact that the report suggests that the Bureau of the Budget seems to have no objection to the submission of the legislation provided "no commitment" would be involved. Does that mean that the Bureau of the Budget simply is neutral in respect to the program?

Mr. ELLENDER. No; I would not say that. It merely means, as I interpret the language referred to by the Senator, that until a project is completed, no commitment for an appropriation to provide a Federal subsidy can be made by the Housing Authority. That is all that the paragraph intends to convey.

Mr. VANDENBERG. Unfortunately there is a typographical error in the paragraph; two lines are transposed. Let me read the next to the last sentence the way, evidently, it is intended to read:

The Interior Department advised the committee that it had received a communication from the Bureau of the Budget stating that there would be no objection to the submission of the United States Housing Authority's report with the understanding that no commitment would thereby be made with respect to the relationship of the proposed legislation to the program of the President.

That is what I am inquiring about. What does that mean—no commitment as to whether or not this collides with the President's financial program, which is to say, with the Budget? Does it mean that it does collide, or that they are not willing to say that it collides, or that they do not know whether it collides or not? What does it mean?

Mr. ELLENDER. The Senator understands, of course, that before any project may be undertaken the President himself must O. K. it. I do not know exactly what the Budget had in mind.

Mr. VANDENBERG. This is the Senator's report.

Mr. ELLENDER. I understand; but evidently under the law no commitment for any appropriation for subsidies can be made until projects are actually completed. That is the reason for the statement quoted by the Senator. The law specifically provides that the authorized appropriation, in this bill, for instance, of \$45,000,000, cannot be made available to the local housing authorities unless and until the projects to be built are actually completed, because that sum is to be used exclusively to reduce the rents of the lessees who will occupy the buildings.

Mr. VANDENBERG. I understand what the Senator is saying.

Mr. ELLENDER. That is what the letter from the Bureau of the Budget means, if it is read as a whole.

Mr. VANDENBERG. This is what I am trying to find out: The first sentence specifically states that the United States Housing Authority is favorable to the enactment of the bill. We know where they stand. Then it undertakes to state the position of the Interior Department and the Bureau of the Budget. I am unable to find out from the language what the attitude of the Interior Department and the Bureau of the Budget is. Can the Senator tell me?

Mr. ELLENDER. I am sure that the Interior Department is for the bill, because this activity is under the Interior Department.

Mr. VANDENBERG. I am sorry, but I still seem to be in doubt as to what is meant by the reservation of a doubt regarding the President's financial program.

Mr. ELLENDER. I think the same language is used by the Bureau of the Budget in practically every recommendation it makes to Congress where an appropriation is concerned.

Mr. President, the second matter I propose to discuss is with reference to the annual Federal-loan subsidies for reducing rents. This aspect of the proposal must not be confused with the other feature I have just discussed; that is, regarding the raising of the funds to construct projects by the United States Housing Authority and by the local authority.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. Why should it not be confused with the raising of the funds, when, as the Senator knows, the statute ties them together? In the first place, the faith of the United States is solemnly pledged to the payment of all annual contributions. In the second place, payments under annual contribution contracts shall be pledged as security for any loans obtained by public-housing agencies to assist the development of the housing projects to which the annual contributions relate. Congress has tied the two together. This is a permanent appropriation for 60 years. The faith of the United States is pledged, and then that is used to secure the bonds, and even if the contracts can be revised in 10 years, there is going to be a moral obligation on the part of the United States to see that a sinking fund is supplied to pay the interest on all loans to housing authorities. So, I think, the Senator cannot say that the contributions are one thing and the loans another. It seems to me they are one and the same thing.

Mr. ELLENDER. The Senator is quite correct that the two features of the program are interlocking, but for the purposes of this discussion and in order to avoid confusion, it is desirable to discuss them separately. I state that no subsidy is to be advanced by the United States Housing Authority, no money is to be appropriated by the Congress, until a project is actually built. Of course, as a safeguard it is provided in the law that these contributions have first to be applied toward paying the interest and the principal on the debt involved. The contract provides specifically that the holders of the bonds shall have first preference in the contribution.

The subsidies or contributions toward all projects are paid only on an annual basis, as annual contributions, for the purpose of reducing rents after the projects are built.

There are neither Federal nor local subsidies in the form of capital grants during the construction of the project. The annual subsidies, both Federal and local, represent the amounts necessary to get the rents down to the level that slum dwellers can afford to pay.

That, Senators, is the reason in a nutshell why the Congress is asked to provide for an amount which, together with that appropriated by the municipality in the form of cash or tax remission, will be sufficient to cut the economic rent in half.

The method by which the annual contributions of subsidies are computed is as follows: After the project is built the United States Housing Authority in accord with the act itself calculates the annual charge against the project, including these items:

First. Debt service.

Second. Operation and management.

Third. Repairs, vacancies, insurance, and so forth.

Fourth. Taxes (should they not be entirely remitted).

All these charges together make up the economic annual rent of the project, the amount that would be needed to be paid by the tenant if there were no annual subsidies. Then the United States Housing Authority calculates the amount of annual rent that can be paid by slum dwellers, which is generally what they are now paying in the slums. The difference between these two figures represents the annual subsidies, Federal and local, which must be paid to get the projects within the reach of slum dwellers.

This analysis makes it clear that neither the Federal annual subsidies nor the local annual subsidies are directed toward debt retirement, although it happens that the annual

Federal subsidies needed to get such rents low enough are almost equivalent to the charges for debt retirement.

Both the Federal annual contribution and the local annual contribution are directed toward reducing the whole economic rent, which includes debt retirement, management, operation, insurance, repairs, vacancies, and taxes. However, there is a provision in the statute insuring that the annual contributions shall secure the loans, as was stated a minute ago by the Senator from Ohio [Mr. TAFT]. This is only logical, because the Federal subsidies should not be used for other purposes by a local authority that is defaulting on its loans, 90 percent of which are from the Federal Government.

The Federal annual contributions amount to about one-third of the economic rent, as I pointed out yesterday, and therefore constitute a 33½ percent rent subsidy. The local annual contributions represent about one-sixth of the economic rent, and therefore constitute a 16½ percent rent subsidy.

The Federal annual contribution and the local annual contribution taken together, therefore, cut the economic rent in half. The Federal and local annual contributions represent the same proportion of the economic rent as in England and in other countries having successful low-rent housing programs. All these countries finance the development or construction of their projects entirely on a loan basis, and subsidize them on an annual basis, directing their subsidies on an annual basis toward the reduction of rents and not toward capital charges alone.

The statute sets a maximum rate upon the Federal contributions which is the Federal going rate of interest, plus 1 percent, computed on the total cost of the project, and which is now equal to 3½ percent of the development cost. The statute requires that the local annual contribution be at least 20 percent of the Federal annual contributions. But in fact the local annual contributions are averaging about 50 percent of the Federal annual contributions. This shows clearly that the local contribution in subsidies to housing projects is greater than the local contributions in practically any other social program assisted by the Federal Government.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. TAFT. Is it entirely through the granting of tax exemption that the localities contribute that money? How does the Senator figure the 50 percent?

Mr. ELLENDER. The 50 percent is figured this way. One-third is contributed by the Federal Government in cash, and one-sixth is contributed by the local communities by way of remitting taxes. In other words, in the example that was discussed yesterday by the Senator from Maryland [Mr. TYDINGS]—

Mr. TAFT. I should like to call the attention of the Senator from Louisiana to an article published in this week's Saturday Evening Post entitled "Much Ado About Nothing. A Defense of the Government Program," by Rev. Edward Robert Moore, member of the New York City Housing Authority. The writer of the article is in favor of the housing plan. In it he discusses the question of tax contributions, and says that in the first place there is not any tax to speak of on the slum buildings, and that in one city of his acquaintance where a three-quarters of a million dollar project was in prospect, the tax yield on the property to be exempted was just \$90. That would seem to contradict the theory that there is any substantial contribution by local authorities by way of exemption of taxes.

Mr. ELLENDER. Mr. President, let us suppose that a local investor wanted to put up a building on that same plot of ground to which Mr. Moore refers, would not the local authorities, that is, of the municipality in which it was built, and the State and county authorities, be entitled to impose taxes on it?

Let us take the example to which I started to refer a while ago—the million-dollar project which was under discussion here yesterday by the Senator from Maryland [Mr. TYDINGS].

When a project of that kind is undertaken, what really happens in most cases is that some of the dwellings which are now occupied by slum dwellers are torn away, and the land is leveled. That takes from the assessment roll of that locality an amount equal to whatever the assessment was on those buildings.

If a new building is constructed on that land, and one is erected, of course, when a contract is entered into, that adds a further investment on the property, and if it were privately owned the city government, the county government, and the State government could certainly assess taxes on that building.

If the building is valued, let us say, at \$1,000,000, the average amount of city, county, and State taxes paid by a private owner on a building of that character aggregates about 2 percent. Two percent of \$1,000,000 would be \$20,000, and that is the amount of subsidy that the local authorities would be giving toward the reduction of the rents.

Mr. WAGNER. Mr. President, will the Senator yield at that point?

Mr. ELLENDER. I yield for a question.

Mr. WAGNER. Since the law provides that there must be at least a 20-percent contribution by the municipality or the Housing Authority toward the economic rents, is it not a fact that if taxes do not represent 20 percent, then the municipality must make that up in some other way by the contribution of cash?

Mr. ELLENDER. It would have to be in cash or tax exemptions or remissions and amounting to at least 20 percent of the Federal subsidy.

Mr. WAGNER. Of course, in all the projects so far, the tax exemptions show a contribution greater than 20 percent, but I asked the question because of the suggestion made by the Senator from Ohio [Mr. TAFT] that in some instances the tax exemption may not represent 20 percent. If it does not, then the municipality must make that up by the payment of cash.

Mr. ELLENDER. That is correct.

Let me read extracts from the second housing contract to which I have just referred. They have to do with the question of subsidies. This will throw light on the point raised by the Senator from Ohio. On page 1 of this contract, which, by the way, is between the same authority to which I referred a while ago, the city of Annapolis, and the United States Housing Authority, appears the following:

Whereas the local authority certifies that it has the following assurances of its meeting the conditions precedent to such U. S. H. A. annual contributions: (1) the legal and enforceable right under the public general laws of Maryland to full exemptions of the local authority and the project from all taxes and special assessments of the city, the State, or any political subdivision thereof—

That language is incorporated in each and every contract for subsidies that is made. So it can well be seen that a municipality, a county and/or a State would have the right to place a tax on the value of that improvement, and which taxes usually equal 2 percent of the cash value of the improvement.

Mr. NORRIS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. NORRIS. Even though it is desirable in this kind of a law that taxes should be remitted, I doubt whether the city has the constitutional right to make such an agreement. Is there any doubt on that question?

Mr. ELLENDER. No; there is not, because the city acts under a statute passed by the State legislature.

Mr. NORRIS. Has the State legislature the right to pass such an act? Might there not be a constitutional inhibition against such action by the legislature?

Mr. ELLENDER. Of course, that may be true with reference to some State taxes; but I believe that since a municipality is a creature of the legislature, the State legislature could well pass a law providing for a tax exemption by the municipality, or even by the county.

Mr. BARKLEY. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. BARKLEY. Aside from any housing project, it is true that in many of the States, under State laws and constitutions, the cities have the right to exempt property from taxation.

Mr. NORRIS. If the right exists under State constitutions, I raise no question.

Mr. BARKLEY. It so happens that in many States cities offer exemption from taxation for 5 years as an inducement for new enterprises to come into the city. Of course, it depends on the authority conferred upon the city by the State legislature, or the constitution of the State.

Mr. ELLENDER. Mr. President, I will say further in answer to the question of the Senator from Nebraska [Mr. NORRIS] that in all cases the Housing Authority provides for a legal opinion on the matter; and if there is any doubt a test case is brought before the proper tribunal. From time to time circumstances have given rise to a doubt, and test cases actually have been brought before the courts of the States wherein the projects are to be built, so as to clear the legal atmosphere.

Mr. LUCAS. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. LUCAS. I should like to ask the able Senator from Louisiana whether or not such a test case has been brought in the courts of the State of Illinois.

Mr. ELLENDER. I am informed one has been brought.

Mr. LUCAS. Has the supreme court of our State passed upon the question?

Mr. ELLENDER. It is my understanding that it has passed upon the issue.

Mr. LUCAS. The question is a very interesting one; and I should like very much to have the Senator place in the RECORD the opinion of the Supreme Court of Illinois is deciding that question. The constitution of our State was adopted many, many years ago; and one section of our revenue act provides that all property must be assessed uniformly. As I recall, it has been held time and time again that under no circumstances could an exemption of the character which the Senator is now discussing be granted. Because of the "uniformity" section and the section of the revenue act to which I have referred, we have been unable to have an income-tax law in our State. The only way we could have it would be to change the constitution. We have not been able to do that; and now before us the question vitally affects our State. I should like very much to have the Senator place in the RECORD the decision of the Supreme Court of Illinois, because I am interested in what the court has said on that question. I have seen similar contingencies challenge the constitution of our State in various ways and if there has been a reversal upon the part of the court I am obviously very much interested.

Mr. ELLENDER. It is my information that the State of Illinois was one of the doubtful States; a test case was filed, and a decision has been rendered upholding the right of the municipality to grant tax exemptions. I shall be glad to obtain a copy of the decision, or an excerpt therefrom, and place it in the RECORD as early as possible.

Mr. LUCAS. As I understand the decision is by the Supreme Court of Illinois.

Mr. ELLENDER. That is my understanding.

Further reading from the contract, with reference to subsidies, on page 2, under (b):

That during the useful life of the project, which shall in no event be less than the number of years during which any of the obligations issued to assist in the development of the project shall remain outstanding, it will not levy, impose, or charge any taxes, assessments, fees, or charges against the project or against the local authority for or with respect to the project, and will furnish without charge municipal services and facilities for the project and the tenants thereof of the same character as those furnished without charge for other dwellings and inhabitants of the city.

That provision with reference to subsidies is likewise incorporated in contract between the local authorities and the United States Housing Authority.

Mr. McCARRAN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. McCARRAN. Will the Senator kindly explain the last paragraph he read?

Mr. ELLENDER. To which paragraph does the Senator refer?

Mr. McCARRAN. I refer to the last excerpt which the Senator read a moment ago from the contract. Will the Senator kindly explain it?

Mr. ELLENDER. The language is:

And will furnish without charge municipal services and facilities for the project—

Mr. McCARRAN. I refer to the entire excerpt which the Senator read from the document which he holds in his hand. It was the last excerpt read to the Senate.

Mr. ELLENDER. I shall be glad to read it.

That during the useful life of the project, which shall in no event be less than the number of years during which any of the obligations issued to assist in the development of the project shall remain outstanding, it will not levy, impose, or charge any taxes, assessments, fees, or charges against the project—

That simply means tax exemption. So long as the bonds are outstanding—in this case 60 years—there is an obligation on the part of the local authority to make no assessment of any kind.

Mr. McCARRAN. Will the Senator kindly explain the latter part of the paragraph?

Mr. ELLENDER. It reads—

And will furnish without charge municipal services and facilities for the project and the tenants thereof of the same character as those furnished without charge for other dwellings and inhabitants of the city.

Mr. McCARRAN. What is meant by that language? Will the Senator kindly explain what the language means?

Mr. ELLENDER. That may mean—

Mr. McCARRAN. No; what does it mean? I am not interested in what it may mean.

Mr. ELLENDER. The law provides—

Mr. McCARRAN. I beg the Senator's pardon. Will he kindly explain just what the language means, and not what the law provides? We are now making the law. We have a law in the making. Will not the Senator kindly explain the language?

Mr. ELLENDER. I cannot explain the language if I may not refer to the act. I will let the Senator explain it. I do not know. In other words, I cannot take the language just as it is without referring to the law itself. The law itself provides that instead of a tax remission the local authority may pay cash, so long as it pays not less than 20 percent of the Federal subsidy.

Mr. McCARRAN. Where is the 20 percent in the excerpt which the Senator read?

Mr. ELLENDER. This is a case in which all the taxes are not remitted. As the Senator knows, under the law the local authority must pay not less than 20 percent of the Federal subsidy in order to help subsidize the low-rent project.

Mr. McCARRAN. The payment is made by way of remission of taxes.

Mr. ELLENDER. It may be paid in cash or by remission of taxes.

Mr. McCARRAN. Of course, the latter will be the way in which it will be paid.

Mr. ELLENDER. Certainly; but in the event it is not, that provision is necessarily in the contract. The act does not specifically provide that the tax exemption shall be an entire exemption, but it says that the local contribution, in cash or tax remission, or both, shall be not less than 20 percent of the amount contributed by the Federal Government.

Mr. McCARRAN. I may be in error. I hope I am, because I am in favor of the principle behind the act. Will

the Senator again read the latter part of the excerpt which he read just a moment ago?

Mr. ELLENDER. Certainly.

That during the useful life of the project, which shall in no event be less than the number of years which any of the obligations issued to assist in the development of the project shall remain outstanding, it will not levy—

Mr. McCARRAN. That means that the project must run as long as the bonds are outstanding.

Mr. ELLENDER. Yes.

Mr. McCARRAN. That is plain enough.

Mr. ELLENDER. That is plain.

It will not levy, impose, or charge any taxes, assessments, fees, or charges against the project or against the local authority for or with respect to the project—

Mr. McCARRAN. What does the language "or against the local authority for or with respect to the project" mean?

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. SCHWELLENBACH. My understanding of that provision is that it is a safeguard against the municipal government substituting some other form of taxes in place of the taxes which it has agreed to remit. A city might pass an ordinance providing that in all cases in which taxes are remitted and buildings are constructed there should be some sort of a gross income tax, or something of that sort. The purpose of this provision is to prevent a substitute for the taxes which the city agrees to remit.

Mr. McCARRAN. In other words, any tax which might be conjured up shall be remitted.

Mr. SCHWELLENBACH. Yes.

Mr. McCARRAN. It seems to me the language goes even further. As I construe the language read by the Senator, there could not even be a tax for the maintenance of the property.

Mr. ELLENDER. A tax for maintenance by whom? It cannot be by the city.

Mr. McCARRAN. No; but for upkeep of the property. I know what the Senator's argument is, but somebody else is going to argue this after the Senator is all through with it. Taking the language, it seems to me the property could not even be kept going, it could not be sustained. The entire project is on the basis of the old theory of cooperative apartments.

Mr. ELLENDER. I am satisfied that if the Senator will read the first section of the contract that I have quoted, and the second section, and the section I propose to read, there will be no doubt left in his mind that, under this contract, there is a remission of all taxes on the project, and that is the contribution by the municipality to the local authority in aid of reducing rents.

Mr. McCARRAN. What I am most interested in is, does the property become not only a property against which there shall be no taxes, but does it become a burden on the municipality for upkeep?

Mr. ELLENDER. No; it could not.

Mr. McCARRAN. I do not know about that. If the Senator will read that language again, and apply his own splendid knowledge of the law, I think he might have some doubt.

Mr. ELLENDER. I do not see how it could, because all the terms of the contract are to be read together. What really happens is that the project becomes a separate entity, as it were, of itself.

Mr. McCARRAN. I am familiar with the old rule that went along with the "own your own apartment" plan. We went through that period in this country, and we are still going through it, and it has not been altogether a success. I am also familiar with the cooperative-apartment system. I think that this plan is more nearly in keeping with the cooperative-apartment system; but the cooperative-apartment system—I may be wrong, but as I understood it—always provided a residue for the upkeep of the apartment, for maintenance, heating, lighting, and so forth, and so on. In this language, however, it seems to me—I hope I may be wrong,

for we are now making history here that will be used to construe the law in the future—that we are leaving out of the law any obligation on the part of those who manage these apartments to have the upkeep of the apartments come out of the rentals from the apartments. I hope I am wrong in that respect.

Mr. WAGNER. The Senator is wrong.

Mr. ELLENDER. There is an existing contract between the local authority itself and the U. S. H. A., first, with reference to building the project, which refers to this subsequent contract, and then there is a binding agreement between the U. S. H. A. and the local authority that the rents will be kept down and will be used for certain specified purposes.

Mr. McCARRAN. Does the Senator construe that to mean that the rent will be kept down to the point where the upkeep of the apartment would fall back on the Federal Government?

Mr. ELLENDER. No; I do not see how it could be so construed.

Mr. WAGNER. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HOLMAN in the chair). Does the Senator from Louisiana yield to the Senator from New York?

Mr. ELLENDER. I yield for a question.

Mr. WAGNER. May I ask the Senator if it is not correct to say that each tenant is to be charged for the occupation of the particular dwelling, and there are taken into consideration all the fixed charges—

Mr. McCARRAN. Of which upkeep is one.

Mr. WAGNER. Of which upkeep is one, and debt service is the other, and whatever goes into the maintenance of the particular building. That is calculated in determining what rent would have to be charged if the occupants should be required to pay a rental which would make the enterprise profitable, but, since these are slum dwellers of the low-income group, the Federal Government and the States are going to pay the difference between the rent which would have to be charged in order to make the tenant pay all these expenses and the rent which he can afford to pay. In determining that item and in determining the subsidy all those fixed charges are taken into consideration. So they are not a burden except as the payment of a subsidy, and a rent subsidy is a burden upon the States and the Federal Government. That is the theory of the proposed legislation.

Mr. McCARRAN. I take it that the primary theory of the proposed legislation is that for the protection of the health of the people of the country the Federal Government will enter into an agreement or a condition of this kind?

Mr. WAGNER. To make a contribution; yes.

Mr. ELLENDER. Mr. President, I am going to read a further paragraph from the contract pertaining to annual contributions between the Authority of Annapolis, Md., and the United States Housing Authority. So far, I have read two excerpts from the contract to show the precautions that are taken by the United States Housing Authority in having it understood in advance what the municipality must do in order to obtain subsidies from the U. S. H. A. so that rents may be reduced.

I read from page 5:

Requisitions for annual contributions.

That is paragraph 4; and among the requirements listed in that paragraph is the following:

The local authority has received local annual contributions (as hereinafter defined in paragraph 8) in aid of the project which equal at least 20 percent of the annual contribution from the U. S. H. A.

In other words, before any contribution is made by the Federal Government toward any subsidy, it must first be shown by the municipality that it has contributed its share in accordance with the law and the contract which has been entered into between the local housing authority and the U. S. H. A.

While it happens at the present time, as indicated above, that the maximum Federal annual contributions are almost equivalent to the debt service, the two obligations are quite independent.

The Federal annual contributions may be reduced in succeeding years as the economic character of the projects changes so that smaller Federal subsidies will be needed to continue renting the units at a reasonable cost to low-income workers. Of course, the debt-service payments of the local authorities on both Federal and local loans would remain constant, so that when the annual Federal contributions are reduced they would amount to a lesser portion of the debt service as time goes on.

The experience of all housing programs abroad shows that annual contributions are gradually reduced in succeeding years as wages rise and costs of housing construction and administration decline, and for other reasons. The statute expressly requires that the annual contributions be reexamined and reduced in the light of changed economic conditions at the end of 10 years, and every 5 years thereafter.

This discussion makes it absolutely clear that the localities furnish about 50 percent as much of the annual subsidy for every project as the Federal Government furnishes. There are no subsidies but only investments in connection with the capital development of projects.

So far as these investments are concerned, the local housing authority borrows not more than 90 percent of the funds from the Federal Government, and borrows not less than 10 percent of the funds from other sources. It is expected in the future that a larger percentage of the loans will be borrowed from sources other than the Federal Government.

On yesterday, during the discussion, the Senator from Virginia [Mr. BYRD] asked me if I could state the number of units in each project, together with the number of rooms in each unit, and the cost. I have before me a statement covering the identical projects that I mentioned on yesterday.

Mr. KING. Mr. President, will the Senator yield?

Mr. ELLENDER. Yes; I yield.

Mr. KING. Is the Senator about to give us details of the projects which were completed by the P. W. A.? My understanding is that no projects have been completed by Mr. Straus' organization.

Mr. ELLENDER. The projects included in this statement are all under contract or construction by the U. S. H. A. The Senator is correct in his statement that no projects have as yet been completed by the U. S. H. A.

Mr. KING. They have a large number of projects on paper, and have spent a great deal of money, but not a single project has been completed.

Mr. ELLENDER. No, Mr. President; as a matter of fact, not much money has been spent.

Mr. KING. Well, it is contracted to be spent.

Mr. ELLENDER. It is true that contracts have been entered into, but very little money has been spent in proportion to the amount authorized under the act. As a matter of fact, if I correctly recall the figures, the amount of bonds actually sold to this day is about \$100,000,000—that is all—although the U. S. H. A. is authorized to sell \$800,000,000 of bonds.

Mr. KING. But, coming to the question which I asked, if the Senator will pardon me, what project has been completed and rented to persons who are now occupying it?

Mr. ELLENDER. By the U. S. H. A.?

Mr. KING. Yes.

Mr. ELLENDER. None. Two will be completed within the next 2 months.

Mr. KING. So the Senator is merely speculating now as to what the costs are going to be?

Mr. ELLENDER. No, sir; it is not a matter of speculation, because contracts for these projects have already been entered into between the local housing authorities and contractors, and every contract is bonded for faithful performance.

Mr. KING. But no contracts have yet been made with individuals. They have not been placed in any of these buildings. They have not taken out any leases. They have not been housed. They have not entered into any contracts under the terms of which they are bound to occupy certain buildings or certain rooms for a given length of time.

Mr. ELLENDER. No; that has not been done. There has been no occupancy, for the obvious reason that none of the projects have yet been completed, but there will not be any difficulty in having the units occupied. That will be the next step after any particular unit is actually completed.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Virginia.

Mr. BYRD. In the opinion of the Senator, what has been the cause of the delay? This act was passed 2 years ago. If not a single project is being occupied at this time, what is the cause of the delay?

Mr. ELLENDER. One of the causes of the delay, to begin with, is that the legislatures of the various States first had to pass laws authorizing the creation of local authorities; and after these laws were passed, as the Senator well knows, it required quite a good deal of time to organize the local corporations, prepare contracts and plans to meet the requirements specified in the law, and so forth. I may say that up to the present time loan contracts totaling \$409,698,000 have been approved under which the work is going on, and under some of which the projects will be completed within the next 2 months, and others within the next 3 months, and so on. In addition to the loan contracts approved, earmarkings are now outstanding aggregating \$246,941,000; or a total of earmarkings and contracts actually entered into of \$656,639,000.

Mr. BYRD. When does the Senator think the first project will be occupied?

Mr. ELLENDER. Two of the projects—I do not recall their locations at the present time—will be completed within the next 60 days.

Mr. BYRD. How many projects in all are there?

Mr. ELLENDER. One hundred and eighty-one projects have been actually contracted for.

Mr. BYRD. Will the Senator permit me to interrupt him for the purpose of making a statement in regard to the value of city dwellings?

Mr. ELLENDER. Certainly.

Mr. BYRD. There was some discussion on the floor yesterday between the Senator from Louisiana and myself on that subject. I have obtained the records from the Department of Commerce, Bureau of the Census.

The average value of all nonfarm residences—that means residences in the cities—including land and development, is \$4,100.

In addition to that, I should like to call the attention of the Senator to the fact that the average value of 44 percent of the dwellings occupied by farmers is \$1,000, and that only 4 percent are reported as being worth more than \$5,000.

I should also like to call the attention of the Senator from Louisiana to the fact that the average value of all the farm buildings—that is, the barns and other buildings—per farm unit is \$4,823, and that under this bill the cost of constructing buildings for the purposes of slum clearance is considerably in excess of the average value of the city dwellings, and very much in excess, four or five times as much as the average value of the dwellings on the farms.

Mr. ELLENDER. Does the Senator know how the Bureau of the Census obtains its information?

Mr. BYRD. I cannot give the Senator that information.

Mr. ELLENDER. I myself have furnished quite a bit of information to the Bureau of the Census, and I suppose the Senator also has furnished some. When the census will be taken in 1940, let us say, the Senator from Virginia will be asked, "What is your home worth?" The home may have been built 50 years ago; the home may have been built 5 years ago; it may have been built 2 years ago. Whatever amount the Senator from Virginia writes into the report which he gives to the census taker will be used to average up the cost to which the Senator is just referring.

I, myself, distinctly recall having filled out some of those reports pertaining to my own home, and pertaining to a few farmhouses on my own farm; and so far as the answers submitted by me were concerned, they were pure guesswork. They did not represent the actual value of the house, how much it actually cost when it was built or its present value,

but the amount was put in at \$1,000, or \$1,500, or \$2,500. It is figures of that kind to which the Senator is referring.

Mr. BYRD. In addition to the figures obtained by the Census Bureau, which the Senator claims are not correct—

Mr. ELLENDER. I do not say they are not correct, but I am just outlining to the Senator the basis for them, how they are obtained. It is my opinion that the average figures cited by the able Senator are founded on pure guesses.

Mr. BYRD. If the Senator is correct, then we had better abolish the Bureau of the Census, and not have any more censuses taken.

Mr. ELLENDER. It may be that a new method for obtaining such information should be employed.

Mr. BYRD. In addition to that, I call the attention of the Senator to the fact that in 1934 the Department of Commerce, through Secretary Daniel C. Roper, issued a bulletin on housing conditions in the United States, showing that in 64 cities the value of 8 percent of the dwellings, including the land and all the costs, was under \$1,000; the value of 7 percent was under \$1,500; the value of 9 percent was under \$2,000; the value of 18 percent was under \$3,000. That means that according to this statement of 1934, which was not a part of the census and evidently was prepared by the agents of the Department of Commerce, 41 percent of the dwellings in the cities cost less than \$3,000, 30 percent of them cost between \$3,000 and \$5,000, and about 30 percent cost in excess of \$5,000.

Mr. ELLENDER. Does the Senator know the source of that information? May it not have been obtained from the census reports and compiled by the Department of Commerce?

Mr. BYRD. No census was taken in 1934.

Mr. ELLENDER. No; but the preceding census may have been taken into consideration.

Mr. BYRD. I would not condemn the Department of Commerce to the extent that the Senator does.

Mr. ELLENDER. I am not condemning the Department. It should not be blamed if the home owner makes a bad guess. In other words, as I recall the questions which are asked in connection with the various census reports, they are, "What is the building worth?" or "What did it cost?" The age of the dwelling is not usually asked. The figure does not include the land. It does not include facilities around the building. All of that is segregated.

Mr. BYRD. The figures which I have given to the Senator include not only the land but the cost of the development, the cost of the building, and I think are approximately correct.

The point I want to make clear is that under the operations of this act it is costing substantially more to provide dwellings for those who heretofore have lived in the slums than the average American has invested in his home in the city, and four or five times as much as the average farmer has invested in the home in which he lives.

Mr. ELLENDER. The testimony which was given to the committee by various witnesses shows that the cost of the United States Housing Authority dwellings is actually \$1,000 less per dwelling unit than that of privately constructed dwellings.

Mr. WAGNER. Mr. President, will the Senator yield for a question?

Mr. ELLENDER. Gladly.

Mr. WAGNER. Is it not true that the only way to make a reliable comparison between the respective costs of private construction and public construction is to take the costs in an area where a project is being constructed, and figure the difference there between the cost of private construction and the cost of public construction? That would be a comparison which would be reliable, and would disclose the real facts.

Mr. ELLENDER. It would seem so, and if the Senator has such information, I would appreciate his placing it in the Record at this time.

Mr. WAGNER. I have here the figures as to a project located in Allentown, Pa. The net construction cost per dwell-

ing unit of the United States Housing Authority project, based on approved construction contracts, was \$3,123. The average net construction cost during the 10 months of 1938 of privately constructed dwellings in the same area was \$5,737. There is an intelligent comparison, because we are taking what it costs in that area to build a dwelling privately constructed as compared with what it costs to erect a dwelling by the Government. There is a difference of over \$2,000 per dwelling unit in that area.

Mr. BYRD. Mr. President, will the Senator from Louisiana yield at that point?

Mr. ELLENDER. I yield for a question.

Mr. BYRD. I should like to call the attention of the Senator from New York to the fact that in Manhattan in 1936 the cost per family apartment house was \$4,300, in Brooklyn \$3,700, in the Bronx \$3,540, in Richmond \$3,125, and in Queens \$2,333, right in the Senator's own city.

Mr. WAGNER. Are those figures from census reports?

Mr. BYRD. These figures are gotten out by the B. T. E. A.—the Building Trade Employers' Association.

Mr. ELLENDER. What is the source of their information? Might not they have gotten that information from the Census Bureau, the same as the other agencies did?

Mr. BYRD. They could not have gotten it from the Census Bureau, because these figures relate to 1936, and there was no census taken in that year.

Mr. ELLENDER. True there was no census taken, but the figures of the last census are always available.

Mr. PEPPER. Mr. President, will the Senator from Louisiana yield?

Mr. ELLENDER. For a question.

Mr. PEPPER. Is it not the objective of the law and the program to build houses which will afford housing opportunities, of a decent character, at the lowest possible figure, taking into consideration the minimum housing standards which should be observed, and the longevity of the structure?

Mr. ELLENDER. That is correct.

Mr. PEPPER. And has not that been the principle upon which the program has been carried on since it was started?

Mr. ELLENDER. That is my understanding.

Mr. PEPPER. Is it not a fact that it is the desire of the Senator from Louisiana and the Senator from New York, and should it not be the desire of the United States Government, to improve the standards of housing in the United States, many of the poor shanties in which entered into the calculations and the averages that were given by the eminent Senator from Virginia?

Mr. ELLENDER. That is correct.

As I was stating a few minutes ago, before I was interrupted, I have before me a statement pertaining to the same projects to which I referred yesterday, giving the number of rooms and the number of units in each project, all of which is in addition to the information I previously submitted to the Senate.

Let us take the project in Daytona Beach, Fla. This project has 659.5 rooms, and 167 units. The average cost over all, was \$2,865 per unit. The average dwelling facilities cost per room was \$620; per unit, \$2,447. The average net construction cost per unit was \$1,890.

I shall not take the time of the Senate to read all of this statement, but at the proper time I shall ask to have it inserted in the Record.

I desire to state further that the average per unit cost of the 48 projects which are named in this statement was \$4,731. Since the time this statement was drawn up, additional projects have been let, totaling 140, and the average per unit cost of those 140, which includes the 48 referred to in this statement, is \$4,507; in other words, there is shown a decrease of approximately \$200 in the average cost per unit. I now send the statement to which I have referred to the desk and ask that it be incorporated as part of my remarks.

The PRESIDING OFFICER (Mr. HILL in the chair). Is there objection?

There being no objection, the statement was ordered to be printed in the Record, as follows:

Number of rooms and units and estimated costs for 48 U. S. Housing Authority aided projects for which main construction awards have been approved

Location	Project No.	Number of—		Average net construction cost per unit	Average dwelling-facilities cost		Average over-all cost of new housing per unit
		Rooms	Units		Per room	Per unit	
Florida:							
Daytona Beach.....	Florida-7-1.....	659.5	167	\$1,890	\$620	\$2,447	\$2,865
Jacksonville.....	Florida-1-1.....	998.0	230	2,667	793	3,443	4,272
Miami.....	Florida-5-1.....	1,356.5	345	2,850	892	3,509	4,230
St. Petersburg.....	Florida-2-1.....	984.0	242	2,490	777	3,158	3,740
Tampa.....	Florida-3-1.....	1,537.0	350	2,364	671	2,948	3,732
Georgia:							
Augusta.....	Georgia-1-1.....	701.5	167	2,548	774	3,251	4,048
Do.....	Georgia-1-2.....	737.0	168	2,688	778	3,413	4,167
Columbus.....	Georgia-4-2.....	1,228.0	283	2,240	646	2,753	3,236
Indiana:							
Kokomo.....	Indiana-7-1.....	776.0	176	2,745	760	3,353	4,020
Vincennes.....	Indiana-2-1.....	368.5	83	2,300	649	2,882	3,519
Kentucky:							
Louisville.....	Kentucky-1-1.....	3,377.0	786	2,920	824	3,540	4,872
Do.....	Kentucky-1-2.....	3,276.0	808	2,784	847	3,435	4,831
Louisiana:							
New Orleans.....	Louisiana-1-1.....	3,794.0	970	3,222	1,013	3,961	5,163
Do.....	Louisiana-1-2.....	2,846.5	723	2,932	929	3,658	4,849
Maryland: Annapolis.....	Maryland-1-1.....	434.0	108	2,810	866	3,481	4,135
Nebraska: Omaha.....	Nebraska-1-1.....	2,269.0	522	3,021	849	3,689	4,582
New Jersey:							
Elizabeth.....	New Jersey-3-1.....	1,713.0	423	2,897	887	3,594	4,781
Newark.....	New Jersey-2-2.....	991.5	236	2,999	857	3,600	5,022
North Bergen.....	New Jersey-4-1.....	718.5	172	3,129	924	3,859	5,316
New York:							
Buffalo.....	New York-2-1.....	2,872.0	668	3,323	977	4,202	5,264
Do.....	New York-2-2.....	607.5	173	3,224	1,098	3,874	4,670
Do.....	New York-2-3.....	2,938.5	772	3,332	1,036	3,942	5,120
New York.....	New York-5-1.....	10,656.5	2,583	3,155	907	3,744	4,694
Do.....	New York-5-2.....	12,967.5	3,161	2,766	809	3,320	4,704
Syracuse.....	New York-1-1.....	2,810.0	678	2,960	871	3,611	5,326
Utica.....	New York-6-1.....	925.5	213	2,976	850	3,692	4,535
Yonkers.....	New York-3-1.....	2,258.0	552	3,163	941	3,850	5,235
Ohio:							
Cleveland.....	Ohio-3-1.....	2,479.5	582	3,441	978	4,167	5,467
Columbus.....	Ohio-1-1.....	1,768.0	426	2,712	791	3,284	4,254
Dayton.....	Ohio-5-2.....	842.0	200	2,917	864	3,638	4,708
Toledo.....	Ohio-6-1.....	1,602.0	384	2,996	882	3,680	5,050
Youngstown.....	Ohio-2-1.....	2,466.0	618	2,926	884	3,529	4,863
Pennsylvania:							
Allentown.....	Pennsylvania-4-1.....	1,511.0	322	3,180	823	3,863	4,955
Philadelphia.....	Pennsylvania-2-1.....	2,034.0	535	3,587	1,141	4,339	5,928
South Carolina: Charleston.....	South Carolina-1-1.....	626.0	140	2,939	800	3,576	4,972
Tennessee:							
Chattanooga.....	Tennessee-4-1.....	1,999.5	497	2,911	886	3,564	4,420
Knoxville.....	Tennessee-3-2.....	1,375.0	320	2,844	830	3,564	4,487
Memphis.....	Tennessee-1-1.....	1,987.0	478	2,878	847	3,520	4,593
Texas:							
Austin.....	Texas-1-1.....	315.0	86	2,513	855	3,132	3,873
Do.....	Texas-1-2.....	196.0	60	2,087	803	2,622	3,673
Do.....	Texas-1-3.....	142.0	40	2,145	772	2,702	3,597
Corpus Christi.....	Texas-8-1.....	569.0	134	2,303	662	2,813	3,615
Fort Worth.....	Texas-4-1.....	1,028.0	252	2,537	773	3,152	4,296
Do.....	Texas-4-2.....	1,026.0	250	2,399	710	2,913	3,808
West Virginia:							
Charleston.....	West Virginia-1-2.....	716.0	170	3,095	896	3,775	5,128
Huntington.....	West Virginia-4-1.....	335.0	80	2,967	874	3,660	4,760
Do.....	West Virginia-4-2.....	561.0	136	2,798	839	3,461	4,511
Do.....	West Virginia-4-3.....	1,223.0	284	2,940	848	3,650	4,537
Total rooms and dwelling units and average costs for 48 U. S. Housing Authority aided projects.....		89,602.0	21,758	2,944	871	3,587	4,731

Source: Department of the Interior, U. S. Housing Authority; Research and Statistics Division, Statistics Section.

Mr. ELLENDER. Mr. President, let me refer briefly to the changes which are proposed in the pending bill. I may say that all of the amendments except as to those which propose an additional sum of \$800,000,000, to be issued in the form of bonds, and the necessary authorization to subsidize the projects after they are built, do not change in any wise the policy of the bill. They are minor amendments, suggested by United States Housing Authority officials to make the bill more workable.

The bill provides for the authorizing of additional projects, the United States Housing Authority to loan \$800,000,000 to that end, and the issuance of additional bonds by the United States Housing Authority in that amount. The bill also provides an authorization for the appropriation of an additional \$45,000,000 annually. The \$45,000,000 is to be used by the United States Housing Authority in entering into contracts for Federal subsidies with local authorities, not only under the \$800,000,000 provided for in the pending bill, but also under the \$150,000,000, appropriated in the act of 1937, which remains unexpended. It also provides for funds to take care of subsidies, if and when a sale is completed by the authority, of those housing projects which were built

under the Public Works Administration, and which the United States Housing Authority has been authorized, under the law, to dispose of. I may say that under the present law the United States Housing Authority is authorized to sell these Public Works Authority projects to the local authorities, and the amount to be obtained for those projects is the actual amount the Government has spent for them, and aggregates \$123,000,000.

Mr. KING. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield for a question.

Mr. KING. Some figures were exhibited to me a few days ago showing that the P. W. A. and Mr. Tugwell had spent approximately \$200,000,000 for these projects, and that they had charged off 45 or 50 percent, if not the entire amount. I was wondering how much of that entire amount, whether it was the amount the Senator just stated or \$200,000,000, had been charged off as a loss to the Government.

Mr. ELLENDER. Let us not confuse the P. W. A. housing projects with the projects which were built under the old Resettlement Administration, which is now administered by the Farm Security Administration. I have no reference to that. I do not know the situation as to the Resettlement

projects. The United States Housing Authority has not been authorized to manage or have anything to do with them. They are under a different department.

I do admit that in the case of many of those projects the money expended was far in excess of what should have been spent; in other words, I believe that it was folly for Mr. Tugwell to spend as much as six or seven thousand dollars to build a home on a 40-acre tract, when the revenues from the farm would hardly pay the upkeep of the home, much less the interest and the principal of the investment. But let us not confuse Mr. Tugwell's projects with the P. W. A. housing projects.

The P. W. A. projects were built by the Government. The entire sum was put up by the Government. When the rental rates were fixed, they were based on 55 percent of the cost of the projects, and those dwellings are now all occupied; they are paying out.

Under the law as it now is, the U. S. H. A. has authority to sell these P. W. A. projects to local communities under virtually the same terms and conditions as would exist should new projects be built. That is the reason why in this bill we have provided authorization for the U. S. H. A. to enter into contracts, and, of course, provide the necessary money in order to subsidize those buildings to the same extent as new projects. The annual Federal contribution for these P. W. A. projects will amount to \$4,305,000, and the total amount required annually to subsidize all the projects authorized under the pending bill, should it pass, including the \$150,000,000 remaining under the 1937 act, will be \$44,975,000, or in round figures \$45,000,000.

Mr. KING. Mr. President—

The PRESIDING OFFICER (Mr. LA FOLLETTE in the Chair). Does the Senator from Louisiana yield to the Senator from Utah?

Mr. ELLENDER. I yield.

Mr. KING. In the investigations which were made by the committee, of which the Senator from Louisiana is an honored member, was there any testimony before it showing the amount of money expended for building for occupation by the poor and the needy, under Mr. Tugwell's administration and under the P. W. A.?

Mr. ELLENDER. No, Mr. President; there was no such testimony.

Mr. KING. Was there any testimony showing the value of the properties which they acquired, the houses they constructed, and the losses which the Government will sustain by reason of—I was about to say their mad adventures, but I will not—their foolish adventures in many respects?

Mr. ELLENDER. There was not. There was no testimony as to cost of resettlement projects nor was there, as I recall, any testimony with reference to cost of P. W. A. housing projects but the U. S. H. A. has jurisdiction over the P. W. A. projects, and it was authorized under the act of 1937 to make sales to the local authorities, or leases when it did not have funds sufficient to enter into subsidy contracts; to perfect or transfer title from itself to the local authorities.

Mr. KING. Will the corporation represented in this bill have charged to it in its bookkeeping accounts the alleged value of the property which is turned over to them from the P. W. A.?

Mr. ELLENDER. Yes, sir. It is valued at \$123,000,000. That is the amount which the Government has spent on those projects, and the plan is, as I understand, to resell them to local authorities for the same amount or virtually the same amount as was actually paid out by the Government itself.

Mr. KING. I assume that in the P. W. A. projects, a part of the cost of the projects was paid by private capital, or was it all paid by the Government?

Mr. ELLENDER. All paid by the Government.

Mr. KING. So that if we should not salvage something from the sale of the properties, the entire amount would be a loss?

Mr. ELLENDER. Of course, if an earthquake should swallow them it would be an entire loss, but the buildings

are there, they are being occupied, they are being rented, and the rents are being collected. They are paying out. I desire to say to the Senator from Utah that the projects which were built under the P. W. A. take care of a rather different class from these slum dwellers. A little higher rent is being paid. They provide for a class of citizens who receive \$2,000 per year and up.

The third amendment in the bill provides a new definition for "going Federal rate of interest." In providing for the "going Federal rate of interest," as defined in the law as presently written, Congress had in mind the rate of interest that was to be paid on any bond issue of the United States Government issued for a period of 10 or more years. This definition changes under the bill now under discussion, so that the rate of interest paid on the Housing Act bonds issued for 10 to 14 years, or on any other Government bonds issued for 10 to 14 years, shall be the yardstick used in determining the "going Federal rate of interest." In other words, the minimum interest rate on the U. S. H. A. bonds should have a direct relation to the interest rate borne by any U. S. H. A. bonds, rather than other Government bonds.

Mr. KING. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. KING. Suppose the going rate of interest upon Government bonds today is, say, 2 percent, and by reason of conditions which we may foresee, depending on whether we are pessimists or optimists, extreme new dealers, or rational common-sense legislators—

Mr. ELLENDER. Or middle-of-the-road statesmen.

Mr. KING. Or middle-of-the-way legislators. Then suppose that the condition of the country was such as to depreciate the value of bonds, and in order to borrow the money—and we have borrowed nearly \$40,000,000,000—it should cost us 5 or 6, or 4 percent, say, in 5 or 10 years from now, do I understand that we are committed now for 60 years to an interest rate which is today, say, 1½ percent, or 1¼ percent?

Mr. ELLENDER. No.

Mr. KING. Or may there be a change according to the sliding scale of advance or depression of interest rates?

Mr. ELLENDER. When the contract is entered into and bonds are issued by a local authority the rate of interest is then determined in accordance with the law; that is, the "going Federal rate of interest" is taken into consideration, which is at present the rate of interest paid on Government bonds with a maturity of 10 years. If that be 2½ percent, which it has been right along, the authority enters into a contract with the local authority and bonds are issued providing for a 3-percent interest rate. That is, 2½ percent plus ½ percent, as the statute now provides. When the U. S. H. A. borrows money it does so on the same basis, and at the same rate of interest that the Treasury does, which is at present 1½ percent. Of course should the worst come to the worst and that rate of interest increase, as suggested by the Senator from Utah, it is possible that the rate of interest paid by the U. S. H. A. may equal that which is paid to the U. S. H. A. from the bonds of the local authority, and may exceed it, in which case, of course, there would be a loss.

But if the rates of interest are greater that will probably mean more business which will offset the loss. The people who are occupying these projects will then be better off. They will be able to pay more rents. The Authority retains the right to amend the contracts every 5 years if it so desires.

Mr. TAFT. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield to the Senator from Ohio.

Mr. TAFT. I do not understand, however, that bonds issued by the local housing authority to private individuals, bearing, say, 3-percent interest for 60 years, can be revised by anybody.

Mr. ELLENDER. No; they could be, Senator. The bonds that are purchased by the U. S. H. A. from the local authority in exchange for the money it lends are retained by the U. S. H. A. and the U. S. H. A. issues its own bonds, and those bonds are usually short-term bonds of 2 to 5 years,

and the rate of interest on those short maturities is really small in comparison to what it would be on long-term obligations.

Mr. TAFT. Referring to the 60-year bonds issued by the local authorities to the U. S. H. A. can the U. S. H. A. raise the rate of interest on those bonds?

Mr. ELLENDER. No.

Mr. TAFT. So if the United States Government had to pay 4 percent there would be a loss rather than a profit?

Mr. ELLENDER. That is correct. I thought I had made that plain in answer to the question asked by the Senator from Utah. The Senator is correct. But as I just explained, in order to offset that, the Authority has the right, under the act and retains that right under the subsidy contract, to subsequently revise the contracts, and the loss can be minimized by raising the rent.

Mr. KING. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. KING. Then if I understand, if the rate of interest which the Government had to pay, say, in 4 or 5 years from now, was 3 percent, then the Housing Authority on the credit which it obtains would have to pay that rate of interest?

Mr. ELLENDER. Yes.

Mr. KING. So that it may eventuate, as just indicated by the Senator from Ohio, in a loss to the Housing Authority?

Mr. ELLENDER. If the worst comes to the worst, that will happen.

Mr. KING. Which the Government of the United States would lose?

Mr. ELLENDER. If the worst comes to our country, that could happen. I think it is a general rule that when interest rates are high and money is in demand more business is carried on and the people are more prosperous. If the cycle should work that way, necessarily the slum dwellers would be better off. There would be more and better employment for them, and they would be able to pay greater rent.

Mr. KING. In other words, the Government holds the bag.

Mr. ELLENDER. I do not know that it holds the bag. Of course it guarantees the bonds. There is no doubt about that. However, the bonds are secured, as it were, by the projects and the revenues derived from them. The projects are really self-liquidating. Of course, if the worst is to happen, as the Senator has just indicated, I can see the possibility of a loss. We might have an earthquake in the city of New York which might swallow up Manhattan Island. In that event, of course, there would be a total loss. However, if things go on as they normally do, I do not believe we can expect any losses of any kind. The projects are self-liquidating. And as I have pointed out, as projects are being built and as new contracts are being entered into the cost per unit is decreasing.

Another clarifying amendment in the bill is with reference to the definition of the word "project." The term "project" is used throughout the act, but no definition of it appears. The definition of "project" as set forth in this bill includes any number of projects which may be undertaken by the same local authority, so that one authority can supervise several projects built in the same locality.

As I pointed out awhile ago, another amendment deals with declaring the bonds of these public-housing agencies to be of the same class as other Government bonds, so that national banks may buy them for investment purposes. The amendment is for the purpose of encouraging the flow of private capital into the low-rent housing field. In other words, it is hoped that by adopting this amendment the local housing authority, instead of raising only 10 percent of the development cost from private sources and calling upon the U. S. H. A. for the remaining 90 percent, will be able to raise, say, 20 percent or 30 percent or 50 percent from private capital, thus reducing the amount to be borrowed from the U. S. H. A. to 80 percent or 70 percent or 50 percent, as the case may be.

Another amendment proposed in the bill would permit expenses of projects owned by the U. S. H. A. to continue to be paid out of rents collected from those projects, rather than charge them against the administrative expenses of the Authority in Washington. It is desirable that this policy be incorporated into permanent legislation. This was demonstrated by the points of order recently raised in the House against these provisions in the Interior Department appropriations bill. The costs covered by this amendment are directly chargeable to the housing agencies and should be treated as nonadministrative expenses.

The other remaining amendment is to remove an ambiguity in the wording of section 9 of the act, regarding computation of the period of repayment of the loans made by the Authority. There is some question as to how this should be figured under the present wording of the act, and the amendment simply makes it plain that the period for loan repayment begins with the date of execution of the bonds, rather than with the date of the United States Housing Authority contract to make the loan.

Mr. President, that about concludes my remarks with reference to the bill. If there are any further questions I shall gladly answer them. If there are no further questions, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Radcliffe
Andrews	Donahay	King	Reed
Ashurst	Downey	La Follette	Reynolds
Austin	Ellender	Lee	Russell
Bailey	Frazier	Lodge	Schwellenbach
Bankhead	George	Logan	Sheppard
Barbour	Gerry	Lucas	Slattery
Barkley	Gibson	Lundeen	Smathers
Bilbo	Gillette	McCarran	Smith
Bone	Green	McKellar	Stewart
Borah	Guffey	McNary	Taft
Brown	Gurney	Maloney	Thomas, Utah
Bulow	Hale	Mead	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Vandenberg
Byrnes	Hayden	Neely	Van Nuys
Capper	Herring	Norris	Wagner
Caraway	Hill	Nye	Walsh
Chavez	Holman	O'Mahoney	Wheeler
Clark, Idaho	Holt	Overton	White
Clark, Mo.	Hughes	Pepper	Wiley
Connally	Johnson, Calif.	Pittman	

The PRESIDING OFFICER. Eighty-seven Senators have answered to their names. A quorum is present.

IMPORTATION OF INFESTED BULBS

Mr. SCHWELLENBACH. Mr. President, at the conclusion of my remarks, I intend to send to the desk, to lie on the table, a Senate resolution which I present on behalf of the senior Senator from Oregon [Mr. McNARY] and myself. The question involved in this particular resolution is not of general importance so far as the citizens of the other sections of the country are concerned, but it is of extreme importance so far as a large number of the citizens of the States of Washington and Oregon are concerned, and involves, in addition to that, in my opinion, a question of the integrity of this body and the relationship which should be observed by governmental departments toward the Senate of the United States.

If I may go back into the history of the situation involved, which concerns the Plant and Quarantine Act which is under the administration of the Department of Agriculture, in 1923, because of the fact that it was found that bulbs shipped into this country from various foreign countries, particularly Holland, were infested to such an extent as to become a menace to the bulb industry in the United States, the Bureau of Plant Industry issued an order, which became effective in 1926, which prohibited the importation into this country of narcissus and iris bulbs, for the reason that it had been found that they had been infested with the nematode eel worm. At various times between 1926 and 1935 the representatives of the Agricultural Department, in statements made in their reports, and in statements made at various meetings throughout the country, reasserted their position, and asserted, in fact, that their investigation still showed that the bulbs

which might come in from foreign countries were still so infested that the quarantine must, of necessity, be continued for the protection of our own plants.

In 1935, without any particular warning to those engaged in the business in this country and without any specific hearing upon the question, the Bureau of Plant Quarantine issued an order on January 14, 1935, in which they said—and I quote:

In point of fact, the evidence at hand clearly indicates that the establishment of these pests (bulb eelworm and greater bulb fly) in this country is now so widespread and so impossible of eradication by any reasonable means that such reinfestation as may take place with unlimited importations under permit and inspection at port of entry of certified bulbs will have no bearing on their control. In other words, the opportunity of eradication of these pests has passed.

The position taken by the Department at that time was that our own fields were so infested with the eelworm and with bulb flies that it was unnecessary longer to protect them; that no matter how many infested foreign bulbs might come into this country they still could have no possible effect upon our situation because our condition was as bad as it possibly could be. The second position was that the Department would be able to protect against the importation of foreign bulbs by inspection at the port of entry.

As a result of that action by the Department of Agriculture, on May 13, 1935, in the Seventy-fourth Congress I introduced a bill known as S. 2983, to amend the Plant Quarantine Act of August 20, 1912. This particular bill required the continuation of the quarantine against narcissus and iris bulbs. I now ask unanimous consent that the bill referred to may be printed in the RECORD at this point as a part of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

[S. 2983, 74th Cong., 1st sess.]

IN THE SENATE OF THE UNITED STATES,

May 13 (calendar day, June 4), 1935.

Mr. SCHWELLENBACH introduced the following bill; which was read twice and referred to the Committee on Agriculture and Forestry:

A bill to amend the Plant Quarantine Act of August 20, 1912

Be it enacted, etc., That the Plant Quarantine Act of August 20, 1912 (37 Stat. 317, ch. 308, sec. 7), be amended by inserting after the words "shall become and be effective on August 20, 1912," the following: "Provided further, That hereafter the importation of narcissus and iris bulbs is prohibited, except that new and rare varieties not available in the United States may be imported under special permit for propagation purposes only in quantities not exceeding 200 bulbs each of narcissus and iris by any permittee in any one year. All such imported bulbs shall be given the latest approved hot-water treatment and shall be subject to such other regulations as may be prescribed by the Secretary of Agriculture."

Mr. SCHWELLENBACH. Mr. President, that bill was reported favorably by the Committee on Agriculture and Forestry and was before the Senate on the calendar for a considerable length of time, when, feeling that the committee had not made a sufficient investigation of the subject, I asked that the bill be recommitted to the Committee on Agriculture and Forestry and a subcommittee be appointed to hold hearings upon the subject matter of the bill. The bill was recommitted, and the chairman of the Committee on Agriculture and Forestry appointed a subcommittee, consisting of the Senator from Oregon [Mr. McNARY] and the late beloved Senator from Iowa, Louis Murphy, who was killed a few months after the hearing was held. That committee held a hearing on the 17th of March 1936. Remember there were two questions involved, two statements made by the Department, two contentions made, justifying their discontinuance of this quarantine so far as these bulbs were concerned; first, that our own fields were so infested that they could not be helped by protection; and, second, that it would be possible to examine these bulbs at the port of entry and prevent the importation of infested bulbs.

Notification was given to the Department of Agriculture and a number of their representatives were present at the hearing. The man who was the head and is now the head of the Bureau, Dr. Strong, was present at the hearing as the official representative of the Department of Agriculture. There was presented to that committee—and I have here a copy of the hearings—uncontroverted evidence upon each of the two points. There was presented uncontroverted evi-

dence to the effect that the statement made by the Department of Agriculture as to the infestation of our own fields was absolutely incorrect; that it had no basis in fact; that, as a result of the efforts of our own growers in this country, the fields of American producers of bulbs had been practically cleared of all infestation. That was presented by a number of witnesses from different parts of the country, and the Department made no effort to answer the testimony of those witnesses.

On the second point as to the possibility of inspection at the port of entry, I called upon the department to send to the committee the expert upon that particular subject. As a matter of fact, as the record shows, I did not even know the name of the man whom they were going to send. They sent a Dr. Steiner, who testified that he had spent his life studying the subject of the nematode known as the eelworm. He was a pure scientist. Without talking to him, I relied upon his opinion, knowing that if he was a scientist he would present to the committee the facts in the matter and would not be biased or prejudiced. Acting even without any preliminary introduction to Dr. Steiner, I called him to the stand before the subcommittee. He testified that without question it was absolutely impossible for him or for anyone else in the world to make an examination of bulbs to determine the presence or absence of eelworms without examining every bulb which might come into the port of entry and without actually cutting it open and making an examination by microscope and destroying each bulb.

That was the testimony presented by the department's own expert. I have found out since that Dr. Steiner is recognized throughout the scientific world as being one of the three or four leading authorities upon the question of the nematode eelworm. He has spent his life in that study. Dr. Steiner was born in Switzerland; he is a typical scientist. I tried to examine him about the flies. He said, "I do not know anything about the flies; I have spent my life studying the eelworms; that has been my life work; I am qualified to discuss that question, but I am not qualified to discuss any other question."

A short time ago when the Senator from Oregon and I were at the Department of Agriculture, Mr. Strong, the head of this Bureau, stated that they recognized that Dr. Steiner was probably the leading authority in the world upon that particular question, and, without any doubt, he established that it is impossible to inspect these bulbs at the port of entry. Before we concluded the hearing that morning we called upon Lee A. Strong, the head of the Bureau, to present a defense on the part of the Department of Agriculture. He testified for a few minutes, and then asked that he might go down to the Department, saying that he did not want to enter into any agreement without discussing the question with the Secretary.

We recessed the meeting that day until 4:30 o'clock in the afternoon, at which time the committee reconvened, and Mr. Strong was there representing the Department. The net result of Mr. Strong's testimony in the afternoon was a recognition on his part that the Department could not make an inspection at the port of entry, and that in order to secure an agreement upon the part of the subcommittee that the bill continuing the quarantine would not be pushed further before the Senate they were willing to agree to install and insist upon a system whereby these bulbs might be sterilized before they were permitted to come into the country.

I ask unanimous consent to insert in the RECORD, without reading, the portion of the testimony before the subcommittee which I have marked on page 55 of the hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

The matter referred to is as follows:

Mr. STRONG. The question was whether I would be willing to undertake to require the sterilization of all narcissus bulbs that were offered for entry, based on the understanding that it is not possible to guarantee freedom from infestation by nematode by ordinary visual inspection, such as would be made at the port.

I find that Secretary Wallace is out of town, but I have talked to the people in his office and also to my own people, and I am

willing to require the sterilization of these bulbs that are being offered for entry. That would have to be done at such places as sterilization facilities could be made available, and where we would have inspection available for supervision. It would have to be done also at the expense and at the risk of the person who is importing the bulbs; that is, we could not be responsible for any deterioration of the bulb during the process of sterilization or following the process of sterilization. There is certain care that has to be given to these bulbs once they are sterilized, such as drying and so on, and that would have to be at the expense and at the full risk of the person importing the bulb. It would have to be done by the latest improved methods, and it may develop that the vapor or heat treatment is even more efficient than the hot-water treatment.

Senator SCHWELLENBACH. It is your present idea that the treatment that Dr. Steiner described is the best method?

Mr. STRONG. Yes; we would adopt the treatment that is recommended by the Department.

Mr. ASHURST. Mr. President—

Mr. SCHWELLENBACH. I yield to the Senator from Arizona.

Mr. ASHURST. I have listened to the remarks of the able Senator. It is obvious that he is not satisfied with the methods pursued in inspecting these bulbs. Am I correct?

Mr. SCHWELLENBACH. I am taking the position, as established by the hearing, that it is not possible to inspect the bulbs; that the only way in which they can be satisfactorily handled is by a process of sterilization, which was put into effect in 1936.

Mr. ASHURST. Before the bulbs are put into transit?

Mr. SCHWELLENBACH. Yes.

Mr. ASHURST. For more than a century we inspected immigrants after they reached our shores. Twenty years ago we found, however, that that was not effective; and we had our various consular officers abroad begin to look into the character of prospective immigrants through the visa system before they started for this country, which seems to me to be logical.

I desire to state that the Senator is doing a good work. We have a duty in Congress which we may not remit to others. The closest scrutiny should be applied not only to bulbs entering the United States bringing harmful insects, but there should also be a close scrutiny of animals brought into the United States. For example, for more than 15 years we have engaged in a contest to keep out beef and cattle from the Argentine, because they are largely afflicted with the hoof-and-mouth disease. When the hoof-and-mouth disease begins to ravage our cattle, the losses are tremendous; and, with all the high-sounding praises of Argentine canned beef, I have pretty good authority for the statement that they can be afflicted with foot-and-mouth disease.

The most rigid inspection of all bulbs, animals, plants, and all other things entering the United States should be conducted; and to immigrants seeking entry into the United States the same rule should be applied. I can well appreciate the Senator's solicitude, because I have said here before, and I say again, that there are 4,000,000 different kinds of insects in the world. They are all contestants for mankind's food supply. Scientific men tell us that it is a 50-50 question whether mankind or the insects shall ultimately inherit the food supplies of the earth.

If we are to survive, not only should we build up our armies and our navies, but the almost invisible insects which take mankind's food supply should be kept out of our country.

I congratulate the able Senator on demanding rigid inspection not only of bulbs but of cattle and of immigrants entering the United States.

Mr. SCHWELLENBACH. Mr. President, I thank the Senator from Arizona for his remarks. I think to a slight extent he has mistaken the position which we must necessarily take upon this question. The record shows that it is impossible, even by the most rigid inspection, without destroying each one of the bulbs, to find out whether or not they are infested by this particular bug. What the Department now wants to do is to permit someone in Holland to do the inspecting, and put on the outside a certificate that the bulbs are all right, and then let them come into this country.

Mr. ASHURST. Then, that means that all of the bulbs may be sent here that anybody in Holland wishes to send.

Mr. SCHWELLENBACH. I think there is no question; past history has shown that in Holland, when they wanted to send bulbs to this country before the Quarantine Act went into effect, they just handed out to the bulb producer a sufficient number of certificates, and he himself pasted them on the boxes; and the record during the past 2 years, when iris bulbs were permitted to come in without sterilization, shows that they have come in with the largest percentage of infestation ever known in this country. The infestation cannot be discerned by even the most rigid inspection; and all the testimony submitted by the Department of Agriculture bears out that statement.

At any rate, starting in 1936, the Department required the sterilization of all the bulbs which came into this country.

Mr. ASHURST. Mr. President, will the Senator yield?

Mr. SCHWELLENBACH. I yield.

Mr. ASHURST. Where was this sterilization performed?

Mr. SCHWELLENBACH. It would be performed at the port of entry here.

Mr. ASHURST. Instead of at the point of origin of the bulb?

Mr. SCHWELLENBACH. Yes. We could not depend upon sterilization at the point of origin any more than we could depend upon inspection at the point of origin.

Last spring, at the request of the representative of the Government of Holland, our Department of Agriculture sent to Holland a committee consisting, as I understand, of three men, who went there to study whether or not the fields in Holland were actually infested. They were met by the authorities in Holland and taken to certain fields which had been selected by the authorities in Holland; and the committee found, upon inspecting these particular fields, that there was no infestation of them. Before they left, however, the two remaining members of the subcommittee, the Senator from Oregon [Mr. McNARY] and myself, sent to the Secretary of Agriculture a letter pointing out the fact that Congress was adjourning, that we were vitally interested in this subject as representatives of the States of Oregon and Washington, and that we had a responsibility in this connection because of the fact that we had been members of the subcommittee. On June 13, 1938, we sent to the Secretary of Agriculture a letter requesting that he take no action in reference to this subject until we returned to Washington in January of this year.

I will read the last paragraph of the letter. It says:

In view of the fact that we are leaving for our respective States within a few days and will not be in Washington, D. C., until January, we earnestly urge that if action is contemplated it be delayed until the next session of the Congress.

I ask unanimous consent to have the entire letter inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

JUNE 13, 1938.

HON. HENRY A. WALLACE,

Secretary of Agriculture, Washington, D. C.

DEAR MR. SECRETARY: As you may remember, in March 1936 the undersigned, with the late Senator Murphy, of Iowa, were appointed as a subcommittee of the Senate Committee on Agriculture and Forestry to consider S. 2983, entitled "A bill to amend the Plant Quarantine Act of August 20, 1912."

On March 17, 1936, a hearing was held by our subcommittee at which testimony from a number of witnesses was received. A copy of that hearing was submitted to you on December 5, 1936. The results of that hearing were so conclusive as to the necessity of proper action to prevent the importation of infested narcissus bulbs that Dr. Lee A. Strong of your Department agreed to institute the present procedure for requiring sterilization.

We are now informed that a committee from your Department, headed by Dr. Strong, recently visited Holland for the purpose of studying conditions there. We are not informed as to their findings or as to the nature of the report the committee will make. Nor do we know when such report will be made. However, in the light of the overwhelming testimony presented at the hearing in March 1936, we must respectfully insist that no action be taken which would alter the requirements agreed upon by Dr. Strong at the conclusion of that hearing without giving us and the narcissus-bulb industry in the country full opportunity to be heard.

In view of the fact that we are leaving for our respective States within a few days and will not be in Washington, D. C., until January, we earnestly urge that if action is contemplated it be delayed until the next session of the Congress.

Very truly yours,

CHARLES L. McNARY.
L. B. SCHWELLENBACH.

Mr. SCHWELLENBACH. A short time after that, each of us received from the Department of Agriculture a letter dated July 5, signed by Harry L. Brown, Acting Secretary of the Department of Agriculture, the last paragraph of which reads as follows:

In view of your interest in this matter you may be assured that steps will be taken to insure your being notified as promptly as possible if the report of the committee indicates that there should be any modification of the present status regarding the importation of narcissus bulbs.

I ask unanimous consent that the entire letter be inserted in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter is as follows:

DEPARTMENT OF AGRICULTURE,
Washington, July 5, 1938.

Hon. LEWIS B. SCHWELLENBACH,
United States Senator.

DEAR SENATOR: Receipt is acknowledged of the letter dated June 13, jointly signed by yourself and Senator McNARY, calling attention to the hearing held in 1936 by a subcommittee of which you were a member on the Senate Committee on Agriculture and Forestry to consider a bill to amend the Plant Quarantine Act of August 20, 1912. You also indicate that a committee from this Department headed by Dr. Lee A. Strong, Chief of the Bureau of Entomology and Plant Quarantine, recently visited Holland for the purpose of studying conditions there and you request that no action be taken which would alter the requirements agreed upon by Doctor Strong at the conclusion of the hearing previously referred to without giving you and the narcissus bulb industry in this country full opportunity to be heard. It is also noted that you desire any contemplated action be delayed until the next session of Congress.

Under the provisions of article 10 of the trade agreement with the Netherlands Government the Minister of that country requested the appointment of a committee of technical experts representing the two Governments to consider the restrictions now governing the entry of narcissus bulbs from that country. Following this request Doctor Strong and two other members of this Department were selected to confer with Government officials of the Netherlands. The American members of this joint committee have returned to this country but a report of their observations has not as yet been made. When it is submitted it will be carefully considered. If the report should present a situation requiring a decision and if that decision should involve questions which merit or require public consideration such as might be had at a public hearing, adequate notice would be given in order that any who cared to might attend. Until the facts which may be developed by this report are available it is believed you will realize the Department could scarcely commit itself with respect to the appropriate time for holding such a hearing if one appears to be necessary.

In view of your interest in this matter you may be assured that steps will be taken to insure your being notified as promptly as possible if the report of the committee indicates that there should be any modification of the present status regarding the importation of narcissus bulbs.

Sincerely,

HARRY L. BROWN,
Acting Secretary.

Mr. SCHWELLENBACH. I do not believe anybody could have read those two letters and have construed them any differently than did the Senator from Oregon and I. Clearly we had requested, in view of our interest and our responsibility, that the Department give us ample opportunity to be heard before a change was made in the situation. That correspondence, taking into consideration the agreement which was made by the Department of Agriculture and the Senate on the 17th of March, 1936, in our opinion certainly placed upon the Department some responsibility for fair dealing toward the Senate and its Members in giving us an opportunity to present our side of the case before action was taken.

Having received the letter assuring us of that situation, we went home. We did nothing further about the matter. We had already given up, back in 1936, so far as that particular bill was concerned, the possibility of passing the proposed legislation.

I do not contend that the agreement of March 17, 1936, was a perpetual agreement, or that the Department of Agriculture was in perpetuity bound to keep that particular agreement in

effect; but in view of the fact that the agreement was made with the Senate, and in view of the fact that the Acting Secretary of Agriculture specifically agreed that no action would be taken until we were given an opportunity to be heard, certainly there was a responsibility upon the Department not to take action until we had a chance to present our side of the case.

A few days after November 10, 1938, I received in Spokane a letter from Mr. Strong, the Chief of the Bureau of Plant Quarantine, in which he enclosed an order. I am not going to read them. I ask unanimous consent that both of them be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it is so ordered.

The letter and order are as follows:

DEPARTMENT OF AGRICULTURE,
BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE,
Washington, D. C., November 10, 1938.

Air Mail.

Hon. LEWIS B. SCHWELLENBACH,
United States Senator,
Post-Office Box 16, Spokane, Wash.

DEAR SENATOR: Herewith is an announcement of the revocation of the treatment requirement on noninfested Holland narcissus bulbs. It will be noted that this becomes effective on and after August 15, 1939.

Very truly yours,

LEE A. STRONG,
Chief of Bureau.

[Enclosure]

B. E. P. Q.—482.

DEPARTMENT OF AGRICULTURE,
BUREAU OF ENTOMOLOGY AND PLANT QUARANTINE,
Washington, D. C., November 10, 1938.

TREATMENT REQUIREMENT OF NONINFESTED HOLLAND NARCISSUS BULBS
AS A CONDITION OF ENTRY, REVOKED

On January 14, 1935, as authorized in regulation 3, as revised on said date, of the rules and regulations supplemental to notice of quarantine No. 37, the announcement was made that on and after December 15, 1936, narcissus bulbs would be authorized entry under permit in unlimited numbers for any purpose, subject to inspection and certification in the country of origin and reinspection at the port of entry in the United States with the understanding that any shipments found to be infested would be rejected. At the same time, revocation of the domestic narcissus bulb quarantine No. 62 was announced, effective April 1, 1935.

On August 1, 1936, in accordance with the authority contained in regulation 9 of said notice of quarantine No. 37, it was further announced that, as a condition of entry, the treatment of narcissus bulbs would be required, since external examination of these bulbs could not be relied upon to determine their freedom from infestation by the bulb nematode, *Ditylenchus dipsaci*. Those in interest were informed in a circular issued September 16, 1936, of the "latest approved treatment" to be employed with respect to all entries of narcissus bulbs.

Since it was a matter of record that imported and domestic bulbs other than narcissus were known hosts of the bulb nematode, a conference was held in Washington on December 15, 1936, to consider the desirability of treating all known hosts of the bulb nematode enterable under the nursery stock, plant, and seed quarantine No. 37. The following day, December 16, 1936, a hearing was held to consider the advisability of establishing a domestic plant quarantine for the purpose of requiring the treatment of narcissus bulbs and other known hosts of the bulb nematode as a prerequisite to interstate shipment. On February 15, 1937, it was announced that the evidence presented at the conference in question indicated that the bulb nematode risk which accompanies the importation of most ornamental bulbs which have been inspected in the country of origin, supplemented by inspection at the port of entry in the United States, does not justify the requirement that all known hosts of this nematode be treated as a condition of entry. No change in the requirements as to importation of narcissus bulbs was announced at that time. While no public announcement has been made with reference to the conclusion reached as the result of the hearing on December 16, 1936, no Federal domestic quarantine has been promulgated requiring the treatment of narcissus bulbs and other known hosts of the bulb nematode as a condition of interstate shipment.

At the request of the Netherlands Government a committee of technical experts representing the Governments of the Netherlands and of this country was appointed for the purpose of considering on the ground in Holland the necessity of requiring the hot-water treatment of Holland narcissus bulbs as a condition of entry into the United States. This committee held a series of meetings in Holland during the month of April 1938, most of which took place in the narcissus-bulb fields, where every opportunity was afforded to inspect the bulbs as to foliage or by lifting them, and to observe the cultural practices and sanitary measures employed in an effort to reduce the bulb nematode infestation to the minimum. The field examinations revealed an almost complete absence of bulb nematode infestations in the narcissus plantings. In view of this condition and the sanitary measures practiced, which involve repeated field examinations during the growing season, supplemented

by inspection and certification of the bulbs at the time of shipment, it is evident, so long as the above conditions exist, that the bulb nematode risk incident to the importation of Holland narcissus bulbs does not justify the continuation of the requirement that all importations of these bulbs be given the hot-water treatment as a condition of entry. This requirement therefore will not be in effect on and after August 15, 1939. On and after that date, all such importations, in accordance with the provisions of regulation 7 of the nursery stock, plant, and seed quarantine No. 37, shall be accompanied by a certificate certifying that the bulbs have been thoroughly inspected at the time of packing and found or believed to be free of injurious plant diseases and insect pests. Finally, upon arrival at the American ports of entry, all shipments will be examined by inspectors of the Bureau of Entomology and Plant Quarantine, and this examination will include the cutting of suspicious-looking bulbs when necessary to determine their freedom from infestation by the bulb nematode. Any shipments found to be infested will be given the latest approved treatment or rejected.

LEE A. STRONG,

Chief, Bureau of Entomology and Plant Quarantine.

Mr. SCHWELLENBACH. The letter simply was a transmittal of the order. The order provided that the agreement made on March 17, 1936, was rescinded, and that the requirement for sterilization would not be made after the 15th of August of this year.

We came back here in January. I first had a meeting with Mr. Strong. I then had a meeting with the Secretary of Agriculture. Then the Senator from Oregon [Mr. McNARY] and I had a meeting with both the Secretary of Agriculture and Mr. Strong. In all of the meetings we took the position that, so far as the record was concerned, all of the testimony showed that it was not possible to prevent the importation of infested bulbs without the use of the sterilization process.

All we asked from the Department of Agriculture was an opportunity to present our case, an opportunity to be heard, an opportunity to know directly and definitely what this committee found out, an opportunity to see the report of the committee, an opportunity to represent our constituents on the one hand, and an opportunity to represent the Senate, with which an agreement had been made, on the other hand.

We were denied that opportunity, and we were told, in place of that, that the Department had prepared a bill which would take care of everything; that we did not need to worry about it; that Mr. Strong had prepared a bill which covered the whole question of the plant quarantine. He explained to us that there was a necessity for amendment of the entire act; that it was cumbersome and difficult to administer; that he wanted the whole subject taken up at one time; and that if we would agree to let this legislation go over, all of our problems would be solved, and the Department would be in much better position.

Frankly, we were not satisfied with that. We wanted an opportunity to be heard upon the specific question involved, but not having that opportunity, we had to agree to the alternative, and sometime prior to February 16 of this year, on behalf of the Department of Agriculture, requests were made of Members of the House of Representatives and Members of the Senate that the Department's bill upon this question be introduced. The result was that Representative BOYKIN introduced a bill in the House and the Senator from Alabama [Mr. BANKHEAD] on February 16 of this year introduced Senate bill 1364.

The Senator from Oregon and I, very rightly, I think, assumed that since the Department had offered the bill, since it was their solution of this problem, we had a right to rely upon the cooperation of the Department in getting the bill through the Congress. The Members of this body know that when a Department comes and offers a bill and asks a Member of Congress to introduce it, and the bill is all prepared and handed to him, he introduces it, it goes to a committee, the committee sends the bill to the Department, and in 9 out of 10 cases it is only a matter of a few days before a favorable report on the bill is sent back to the Congress by the department.

The bill in question was introduced on February 16, and on February 22 the clerk of the Committee on Agriculture and Forestry of this body sent the Bankhead bill, Senate bill 1364, back to the Department, and asked for a report

upon it. I waited a couple of weeks and did not hear anything about it, and then started calling up from my own office to find where the report was. I was not able to ascertain; so I went to the clerk of the committee, and he started a daily process of calling the Department in an attempt to discover why the Department had not made a report to the Senate upon its own bill, a bill which it had prepared, which it had had introduced, and which it asked the Senator from Oregon and me to rely upon as a solution of our particular problem, and as carrying out the agreement which was made in 1936 with the Senate subcommittee, and made with the Senator from Oregon and me in June of last year.

It was not possible to get a report upon the department's bill from the department until May 16. The time from February 22 to May 16 passed before they made a report upon this particular piece of legislation.

When the report came in, we found that the department, which had told us that they were going to keep their agreement with the Senate and with us through the medium of this piece of legislation, namely, recommended to the Senate that all parts of the proposed legislation which referred to our particular problem should be eliminated from the bill; and they just struck out those paragraphs.

Mr. President, this is the 7th of June. I do not know, and I do not think even the able leaders on both sides of the Senate have any particular knowledge, as to just when the present session of Congress will adjourn, but it is certain that it is not going to be possible to get through at this stage of the proceedings a piece of legislation protecting this particular situation when it will meet, as apparently it will, the violent opposition of the Department of Agriculture and the chief of the Bureau of Inspection and Plant Quarantine.

Mr. President, I shall not ask that all of Senate bill 1364 be printed in the RECORD, but I do ask unanimous consent that section 3 of the bill be printed in the RECORD at this point as a part of my remarks.

The PRESIDING OFFICER. Is there objection?

There being no objection, the section was ordered to be printed in the RECORD, as follows:

SEC. 3. That, in order to safeguard agriculture in the manner and for the purposes set forth in section 1 of this act, it shall be unlawful for any person to import, or offer for importation, from a foreign country into the United States or into any Territory or District thereof, any plants or plant products capable of propagation, as defined in section 2 of this act (1) unless a permit therefor shall have been issued by the Secretary of Agriculture; (2) unless the requirements applicable to the importation of such plants or plant products, prescribed by the Secretary of Agriculture pursuant to this act, including inspection and, when necessary, treatment to prevent the introduction of plant pests, have been complied with, including the best approved treatment for nematodes applied to all importations of narcissus and iris bulbs; and (3) unless such plants or plant products are imported for propagation for the purpose of establishing production to meet domestic requirements and after importation are utilized therefor under the surveillance of the Secretary of Agriculture for such time and under such conditions as the said Secretary may prescribe in order that he may be able to determine, by inspection or otherwise, whether such plants or plant products are apparently free from plant pests: *Provided*, That, when the Secretary of Agriculture finds that the importation of such plants or plant products is desired for processing in some manner not involving propagation, and is of the opinion that the proposed processing will destroy, or render innocuous, any plant pests that might be present in or on such plants or plant products, the said Secretary may issue a permit specifying the conditions for the importation of such plants or plant products and may prescribe such conditions for the proposed processing as he may deem necessary effectively to destroy or render innocuous any possible plant pests thereon or therein: *Provided further*, That plants or plant products may be imported for experimental or scientific or noncommercial purposes by, or through, the Department of Agriculture, in compliance with such conditions and regulations as the said Secretary of Agriculture may prescribe.

Mr. SCHWELLENBACH. Mr. President, I now desire to read from a portion of the report of the Secretary of Agriculture referring to that particular section:

In the same section—section 3—page 4, lines 3, 4, and 5, the phrase "including the best approved treatment for nematodes applied to all importations of narcissus and iris bulbs" should be removed from the bill. When a given lot of plants or plant products capable of propagation arrives in this country from abroad, representatives of the Department would first determine

whether a permit had been issued and what requirements applicable to that particular importation had been prescribed by the Secretary of Agriculture, including determination whether the contents of the importation were the subject of a specific quarantine. Inspection of these contents would follow in due course, and the subsequent action taken with respect to a given importation should depend on the results of the inspection. If pests or diseases were to be found which were not known to exist in this country, consideration should be given as to whether that importation should be excluded. If the nature of the infestation or infection were such that treatment and admittance were deemed safe, the treatment might be prescribed but to tie the hands of the Department by requiring a treatment for a given type of plant or plant product capable of propagation regardless of the findings of the inspection is discriminatory, unwise, and might result in prescribing a treatment which would not be effective in destroying the organism in question, because this organism might be one new to the Department, the treatment for which is unknown.

Mr. President, in the light of the record, this statement of the Secretary of Agriculture, in the first place, the Department, going back to the old position they took in January 1933, saying that they would be able to make inspection at the port of entry, despite the fact that the entire record as presented shows that they cannot make such an inspection; then saying that, because it is provided that a particular type of sterilization shall be used, it would tie the hands of the Department, and would be unwise and unjust and would be discrimination, that there might be other nematodes about which they do not know, is just simply begging the question, and, so far as I am concerned, I believe that it is merely trifling with the Senate of the United States.

Remember, this language which the Secretary of Agriculture so drastically condemns is the language which Mr. Strong, of the Bureau of Inspection and Plant Quarantine, wrote into the bill. We did not write the bill; the Department itself wrote it. They included this provision because of the fact that we went to the Department insisting upon some sort of a hearing before the Department, insisting upon a right to be heard, insisting that they present some evidence which would controvert the evidence which we had heard in 1936. We became so insistent that they said, "All right; we will present a bill which will take care of the whole situation." Then they held up the report from the 22d of February until the 16th of May, too late in the session for us to get any possible action upon a controversial question; then they recommended that the part of the bill which was put in under their representation and which we could rely upon be removed, and they criticized that portion of their own bill as being unwise, unjust, and discriminatory.

If the Secretary of Agriculture and Mr. Strong, of the Bureau of Inspection and Plant Quarantine thought it was unwise, unjust, and discriminatory to include that provision in the bill in May 1939, why did they tell the Senator from Oregon and me in January 1939 that they would put it in, and that we could rely upon it, and that we would be protected by it?

As I stated in the beginning, this is not merely a question of a few bulb growers in the State of Washington and in the State of Oregon, though it is of supreme importance to them, and it is of supreme importance generally to know that the fields of this country will not be infested by this nematode, which is described as one which rapidly spreads, not merely to bulbs, but to all forms of plant life; this matter also involves the question as to what sort of treatment the Senate of the United States and the Members of the Senate of the United States are entitled to at the hands of the executive department of the Government.

Mr. President, I ask unanimous consent to be permitted to offer at this time, and have lie upon the table, a resolution on behalf of the Senator from Oregon and myself, and I ask that the resolution be read.

The PRESIDING OFFICER. Without objection, the resolution will be received and read.

The legislative clerk read the resolution (S. Res. 143), as follows:

Resolved, That a subcommittee of the Senate Committee on Agriculture and Forestry, to be appointed by the chairman of the committee, is authorized and directed to examine the Secretary of

Agriculture and Dr. Lee A. Strong, Chief of the Bureau of Entomology and Plant Quarantine, with respect to the following matters:

(1) Why the Department of Agriculture failed to keep the agreement made with the Senate Committee on Agriculture and Forestry, acting on behalf of the Senate, on March 17, 1938, providing for the necessary sterilization of the bulbs imported into the United States, which were described in Senate bill No. S. 2983, Seventy-fourth Congress, first session.

(2) Why the Department of Agriculture failed to keep the agreement with individual Members of the Senate, the basis of which is correspondence dated June 13, 1938, and July 5, 1938.

(3) Why, after the Department of Agriculture presented to individual Members of the Senate and the House of Representatives and caused to be introduced the bills S. 1364 and H. R. 4036, an adverse report on such legislation was later submitted by the Department of Agriculture.

The subcommittee shall report to the Committee on Agriculture and Forestry the results of its investigations, together with its recommendations.

The PRESIDING OFFICER. The resolution will lie on the table.

TIME LIMITATION FOR RATIFICATION OF CONSTITUTIONAL AMENDMENTS

Mr. ASHURST. Mr. President, five different amendments proposed by the Congress may, by the effect of the decision of the Supreme Court of the United States rendered on June 5, 1939, in the case of Coleman et al. against Miller et al., be assumed to be pending before the States for their action. These amendments are as follows:

One proposed September 29, 1789, 150 years ago, relating to enumeration and representation:

ARTICLE I. After the first enumeration required by the first article of the Constitution there shall be 1 Representative for every 30,000 until the number shall amount to 100, after which the proportion shall be so regulated by Congress that there shall be not less than 100 Representatives, nor less than 1 Representative for every 40,000 persons, until the number of Representatives shall amount to 200, after which the proportion shall be so regulated by Congress that there shall not be less than 200 Representatives nor more than 1 Representative for every 50,000 persons.

Another, proposed September 29, 1789, 150 years ago, relating to compensation of Members of Congress:

ARTICLE II. No law varying the compensation for the services of the Senators and Representatives shall take effect until an election of Representatives shall have intervened.

Another, proposed January 12, 1810, 129 years ago, to prohibit citizens of the United States from accepting presents, pensions, or titles from princes or from foreign powers:

If any citizen of the United States shall accept, claim, receive, or retain any title of nobility or honor, or shall, without the consent of Congress, accept and retain any present, pension, office, or emolument of any kind whatever from any emperor, king, prince, or foreign power, such person shall cease to be a citizen of the United States and shall be incapable of holding any office of trust or profit under them, or either of them.

Another, proposed March 2, 1861, 78 years ago, known as the Corwin amendment, prohibiting Congress from interfering with slavery within the States:

No amendment shall be made to the Constitution which will authorize or give to Congress the power to abolish or interfere within any State, with the domestic institutions thereof, including that of persons held to labor or service by the laws of said State (12 Stat. 251).

And still another, proposed June 2, 1924, 15 years ago, the child-labor amendment:

SECTION 1. The Congress shall have power to limit, regulate, and prohibit the labor of persons under 18 years of age.

SEC. 2. The power of the several States is unimpaired by this article except that the operation of State laws shall be suspended to the extent necessary to give effect to legislation enacted by the Congress.

On September 29, 1789, 12 constitutional amendments were proposed by the First Congress. The requisite number of States ratified proposed articles Nos. 3, 4, 5, 6, 7, 8, 9, 10, 11, and 12 within 2 years and 3 months, while Nos. 1 and 2, although proposed 150 years ago, have not, according to the latest available returns, received favorable action by the requisite number of States and are still before the American people, or the States, rather, and are now subject to ratification or rejection by the States. After those two proposed amendments, to wit, Nos. 1 and 2, had been in nubilous—in the clouds—for 84 years, the Ohio State Senate in 1873, in

response to a tide of indignation that swept over the land in opposition to the so-called back-salary grab, resurrected proposed amendment No. 2 and passed a resolution of ratification through the State senate. No criticism can be visited upon the Ohio Legislature that attempted to ratify the amendment proposed in 1789; and if the amendment had been freshly proposed by Congress at the time of the back-salary grab, instead of having been drawn forth from musty tomes, where it had so long lain stale and dormant, other States doubtless would have ratified it during the period from 1873 to 1881.

During the present year—indeed, within the past 90 days—the States of Massachusetts, Georgia, and Connecticut, respectively, have ratified articles 3 to 12, both inclusive, of the 12 articles proposed 150 years ago.

We should not hand down to posterity a conglomerate mass of amendments floating around in a nebulous haze which a State here may resurrect and ratify and a State there may galvanize and ratify.

We ought to have homogeneous, steady, united exertion, and certainly we should have contemporaneous action with reference to proposed amendments. Judgment on the case should be rendered within the lifetime of those interested in bringing about the change in our fundamental law. Final action should be had while the discussions and arguments are within the remembrance of those who are called upon to act.

The amendment proposed on January 12, 1810, was submitted to the States in peculiar auspices.

Unfortunately, the annals of Congress and contemporary newspapers do not give any of the debate upon this interesting proposition. The only light thrown upon the subject by the annals is the remarks of Mr. Macon, who said "he considered the vote on this question as deciding whether or not we were to have members of the Legion of Honor in this country."

What event connected with our diplomatic or political history suggested the need of such an amendment is not now apparent, but it is possible that the presence of Jerome Bonaparte in this country a few years previous and his marriage to a Maryland lady may have suggested this amendment.

An article in Niles' Register, volume 72, page 166, written many years after this event, refers to an amendment having been adopted to prevent any but native-born citizens from being President of the United States. This is, of course, a mistake, as the Constitution in its original form contained such a provision; but it may be possible that the circumstances referred to by the writer in Niles' relate to the passage through Congress of this amendment. The article referred to maintains that at the time Jerome Bonaparte was in this country the Federalist Party, as a political trick, affecting to apprehend that Jerome might find his way to the Presidency through "French influence," proposed the amendment. The Federalists thought the Democrats would oppose the amendment as unnecessary, which would thus appear to the public as a further proof of their subservency to French influence. The Democrats, to avoid this imputation, concluded to carry the amendment.

"It can do no harm" was what reconciled all to the amendment.

That amendment was submitted by Congress 129 years ago, and after the space of about 2 years it was ratified by 12 States, but not a sufficient number of States at that time to make up the necessary three-fourths required for ratification. At one period of our national life the histories and the public men announced that it was a part of our organic law, and this error arose because in the early days of our Government the Secretary of State did not send messages to Congress announcing ratification and did not promulgate any notice as to when an amendment became a part of the Constitution. I have caused the journals, records, and files in the Department of State to be searched, and there may not be found any notice of any proclamation of the ratification of the first 10 amendments to the Constitution. The States assumed—it was

not an unwarranted or violent assumption—that when the requisite number of States had ratified an amendment it was then and there a part of our organic law.

Thus we perceive that a system which permits of no limitation as to the time when an amendment may be voted upon by the States is not fair to posterity or to the present generation. Lack of time limitation keeps historians, publishers, and analysts, as well as the general public, constantly in doubt.

It would seem that Congress had, within the past 20 years, become aware of the wisdom of limiting the time within which a State may ratify, inasmuch as Congress attached to the eighteenth, twentieth, and twenty-first amendments a limitation of the time within which a State might ratify.

CONFISCATION OF FIREARMS IN POSSESSION OF PERSONS CONVICTED OF FELONY

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate the amendment of the House of Representatives to the bill (S. 189), to provide for the confiscation of firearms in possession of persons convicted of felony and disposition thereof, which was, beginning with line 3, to strike out all down to and including "tried", in line 7, and insert:

That when any person is convicted in any court of the United States of any of the crimes of murder, manslaughter, felonious assault, rape, killing, or assaulting a Federal officer, robbery, burglary, bank robbery, killing, or kidnaping in committing a bank robbery or in avoiding or attempting to avoid apprehension for the commission of bank robbery or in freeing one's self or attempting to free one's self from arrest or confinement for bank robbery, transporting or causing to be transported a kidnaped person in interstate or foreign commerce, transporting or causing to be transported a stolen motor vehicle in interstate or foreign commerce, or any felony perpetrated in whole or in part by the use of firearms, or an attempt to commit any of the foregoing crimes, the court in its judgment of conviction may, in addition to the penalty or penalties prescribed by law for the punishment of such crime or crimes, order the confiscation and disposal of firearms and ammunition found in the possession or under the immediate control of such person at the time of his arrest.

Mr. HATCH. I move that the Senate concur in the House amendment.

The motion was agreed to.

AMENDMENT OF NATIONAL HOUSING ACT OF 1937

The Senate resumed the consideration of the bill (S. 591) to amend the United States Housing Act of 1937, and for other purposes.

Mr. TAFT obtained the floor.

Mr. REED. Mr. President, will the Senator from Ohio yield to me so I may suggest the absence of a quorum?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Kansas for that purpose?

Mr. TAFT. Yes; I yield.

Mr. REED. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll. The legislative clerk called the roll, and the following Senators answered to their names:

Adams	Davis	Johnson, Colo.	Radcliffe
Andrews	Donahay	King	Reed
Ashurst	Downey	La Follette	Reynolds
Austin	Ellender	Lee	Russell
Bailey	Frazier	Lodge	Schwellenbach
Bankhead	George	Logan	Sheppard
Barbour	Gerry	Lucas	Slatery
Barkley	Gibson	Lundeen	Smathers
Bilbo	Gillette	McCarran	Smith
Bone	Green	McKellar	Stewart
Borah	Guffey	McNary	Taft
Brown	Gurney	Maloney	Thomas, Utah
Bulow	Hale	Mead	Tobey
Burke	Harrison	Minton	Townsend
Byrd	Hatch	Murray	Vandenberg
Byrnes	Hayden	Neely	Van Nuys
Capper	Herring	Norris	Wagner
Caraway	Hill	Nye	Walsh
Chavez	Holman	O'Mahoney	Wheeler
Clark, Idaho	Holt	Overton	White
Clark, Mo.	Hughes	Pepper	Wiley
Connally	Johnson, Calif.	Pittman	

The PRESIDING OFFICER. Eighty-seven Senators have answered to their names. A quorum is present.

Mr. TAFT. Mr. President, I should like to return from the pleasant fields of tulips, narcissus, and constitutional amendments to discuss the bill before the Senate, relating

to the extension of power of the United States Housing Authority to issue bonds. In that connection I should like to offer the amendment which lies on the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 5, in the committee amendment, after the words "more than" it is proposed to strike out "\$45,000,000" and insert in lieu thereof "\$30,000,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Ohio to the committee amendment.

Mr. TAFT. Mr. President, there is another amendment on page 3 which should be considered in connection with the amendment just stated.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The LEGISLATIVE CLERK. On page 3, line 13, in the committee amendment, it is proposed to strike out "\$800,000,000" and insert in lieu thereof "\$400,000,000."

The PRESIDING OFFICER. Does the Senator from Ohio ask unanimous consent that the two amendments which he has offered to the committee amendment be considered as one?

Mr. TAFT. I do.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. TAFT. Mr. President, I do not want in any way to oppose or to be understood as opposing the general housing policy embodied in the present United States Housing Authority Act. I think the Federal Government is definitely interested in the subject of housing and should be interested. We have passed three entirely different measures intended to stimulate housing. The first is the Federal Home Loan bill, by which it is proposed that the Federal Government shall assist building and loan associations in lending money for the development of private housing. The second is the Federal Housing Authority bill, which has to do with the insuring of loans on private houses. The third is the United States Housing Authority bill which provides low-rent Government housing.

A wise housing policy is essential to recovery. I think there is more opportunity for recovery and for putting men to work in the development of the industry of housing than in probably any other single industry which could be developed. We are behind in provisions for housing. The subject of housing is one in which the Federal Government can and properly should interest itself.

While excellent work has been done in each of the three fields mentioned, there has been no coordination whatever in those three fields, and no consideration of the whole problem at one time. We have a number of independent Government agencies. We have the Federal Housing Authority, which is entirely independent; we have the United States Housing Authority, which is in the Department of the Interior; and we have the Federal home-loan bank, which is an independent agency. The problem has not been considered as a whole. The activity in each field is still in an experimental stage, and in no case in more of an experimental stage than in the business of providing low-rent Government housing. The United States Housing Authority has not yet opened a single project which has been constructed under its supervision.

This bill deals only with low-rent Government housing. There has been a great deal of discussion of what the policy is. I think the policy should be stated in order that it may be clearly understood. In the first place, we have heretofore authorized \$800,000,000 in bonds and \$28,000,000 in subsidies. The Administrator has gone ahead and allotted about \$650,000,000 of the \$800,000,000, and he has \$150,000,000 left. Then he ran out of subsidy money, so he could not issue the remaining \$150,000,000 in bonds. What he is asking authority for is to issue eight hundred additional million dollars, so that he would have available at once \$950,000,000 in addition to what has been allotted; and he is asking for additional subsidies of \$45,000,000. Thirty-four million dollars

of that is needed to provide subsidies for the new \$800,000,000; approximately four and a half million dollars is to subsidize the P. W. A. projects which we are going to turn over to the local housing authorities; about six and a half million dollars is to finance the \$150,000,000 which he has not as yet been able to use, making a total of \$45,000,000.

The amendment which I propose cuts down the \$800,000,000 to \$400,000,000, and cuts down the \$45,000,000 to \$30,000,000, which would enable him to cover the \$150,000,000 which he has not used, plus the \$400,000,000 new amount, plus the P. W. A. projects. That is the reason why, instead of cutting the \$45,000,000 in half, I am proposing only to cut the \$45,000,000 to \$30,000,000.

He proposes to house 180,000 families with \$800,000,000. In other words, the estimate of the Administrator is that the average cost per family will be \$4,500. That is his estimate, and I think we may accept that as the present average cost of housing under this particular plan.

Under the policy the United States Housing Authority issues \$800,000,000 of bonds which are guaranteed as to principal and interest by the United States Government. Then they take that \$800,000,000 and lend it to the various local housing authorities, public bodies created by the various States. They can lend to them 90 percent of the cost of those projects. On those loans they charge 3 percent interest and one-half percent amortization, and they take 60-year bonds from the local housing authorities at 3 percent interest. The subsidy is 3½ percent on the entire cost, 90 percent plus 10 percent; that subsidy goes to the local housing authorities, and then it is used to pay the interest and the sinking fund on their own bonds. There can be no question that that process is practically equivalent to our constructing the buildings and presenting them to the local housing authorities for nothing; practically as if we issued the bonds and then erected the buildings and turned them over without any recourse; in fact, in some ways, that might be a safer plan, because there is a possibility of loss under the other plan. If one cares to look at it from the standpoint of a subsidy, it means that the Federal Government is subsidizing every family that lives in these buildings to the extent of \$158 per family per year. The \$158 per family per year subsidy means, in effect, that no man who lives in one of these low-rent houses pays one cent of rent attributable to the cost of construction or the repayment of the loan or the interest on the cost of the construction. All that he pays in rent is the maintenance cost of the building. The remainder of it is subsidized.

There is, to some extent, an additional subsidy. I rather agree with the Senator from Louisiana that the States do put up some subsidy in the form of remitting taxes. I do not know what that amounts to; but I think to at least \$40 a family. So I should say that we are subsidizing low-income families to the extent of \$200 per family per year. That is the effect of this particular policy.

There is not any investment, because the Government could not get anything from these buildings if it got them back. The rental that comes in is going to pay only for the maintenance of the building. There is no investment, for there is no return. We pay the local housing authorities in the form of subsidies money which they turn around and pay back on the interest and sinking fund on the bonds. It is perfectly clear that that is the purpose, because the act itself provides that payments under annual contribution contracts shall be pledged as security for any loans obtained by a public housing agency to assist the development of a housing project to which the annual contributions relate.

Then it is provided that the faith of the United States is solemnly pledged to the payment of all annual contributions.

So there is no question that the subsidy payments are used to finance the projects.

The local housing authority issues 90 percent of their bonds to the Federal Government, and the Federal Government may perhaps sell those bonds. The local housing authority issues 10 percent to private bankers or other individuals, and to those the faith of the United States is

pledged. We are going to continue these subsidy payments so that they can pay interest on the bonds. So, in my opinion, there is not any doubt of the soundness of the argument of the Senator from Maryland that, in effect, we are erecting these buildings and are presenting them to the States or to the local housing authorities. The effect of that is a subsidy of possibly \$200 per family per year.

What interested me in the hearings before the subcommittee was the question whether anybody had considered how far we are going in carrying out this policy. How many families do we propose to house? Each \$800,000,000 will house from 180,000 to 200,000 families. The Administrator finally testified that he would like to provide about four and a half million families with this kind of Government housing. That would mean a total cost to the Federal Government before we got through with the program, if that is the program, of approximately \$20,000,000,000, which is half of the present national debt. The Administrator thought it might take 15 years to carry out that program. By the time we got through, we would have an annual housing subsidy of about \$600,000,000 a year, although the amount might vary.

I think that the Housing Authority has done a good job. I think it is reducing the cost of housing projects. There are various indications that as the more modern ones are built, as greater information in regard to building is obtained, the costs are brought down.

Mr. Rheinstein, head of the New York Housing Authority, has particularly made progress in reducing the cost of housing in New York State under the Housing Act, and I think there is reasonable hope that costs may be reduced and this subsidy may ultimately be not quite so large; yet I think, looking at the program, the figures I have given would seem to be approximately the program of the United States Housing Administrator.

Personally I do not agree with him. I do not think that we need to house four and a half million families in Government apartment houses. I think that a complete survey of the whole field, which I believe ought to be made, would show that we do not have to take that proportion of the low-rent families and put them into Government houses. Certainly I would be very doubtful of the advisability of that program. It seems to me that a policy of developing individual homes would be much better for a very considerable number of that large group of low-income families.

We are referred to the English policy. In England since the World War there has probably been the greatest building boom that any country has ever had in a similar time. In England about 4,000,000 homes have been built during that time; and when we consider that in this country we have nearly three times the population of England, it can be seen what it would mean if we should proceed along this line on the same scale as that adopted in England. It would mean the construction of approximately 11,000,000 homes in this country. Home construction work is one of the things that have kept England going, but of the 4,000,000, only about 1,000,000 have been provided by Government housing projects; the other 3,000,000 have been provided through building society financing entirely independent of any government policy whatsoever. The English, on the basis of a million homes, now have a subsidy, I think, of 15,000,000 pounds a year, or \$75,000,000. For that they have housed a million families. A subsidy of \$73,000,000, which is the total this bill now provides, will only house something like 500,000 families, or one-half, for approximately the same amount. So far as I can figure, our subsidy is about twice what the English subsidy is, and I do not believe the Government housing in this country is proportionately as necessary as it is in England. England is a much more urbanized and much more industrial country than is the United States today, and I believe that we do not need to follow the English proportion. I think probably, if we reach 2,000,000 families instead of four and a half million, that might be a reasonable proportion in providing for the people who need this particular kind of housing.

I say again I think the Housing Administration is doing a good job. I only feel they have not looked ahead; they have not a comprehensive plan. I do not think the Federal Government knows where it is going; I do not think they know how much private housing they hope to stimulate; and I do not think they have considered all the difficulties that may arise.

I have a good deal of criticism of the Housing Authority's propaganda, if it may be called that. It seems to me that a great many of the arguments that are presented are completely unnecessary, so far as logic is concerned. For instance, one of the arguments is that the requests are received from all sections of the country. This is Mr. Straus' testimony:

And gentlemen, from all sections of the country, requests have been received for additional earmarkings. The distribution of these requests proves both the need for low-rent housing and slum clearance and the enthusiasm of the cities and towns throughout the Nation seeking to join or continue in the U. S. H. A. program of slum clearance and rehousing. Despite the early announcement by the U. S. H. A. that all funds currently available have been exhausted, additional earmarking requests already received total in excess of \$800,000,000, and more requests are being received each day.

Of course, in a general way they are getting something for nothing, and, of course, the people who are so enthusiastic are not always mayors; they are the people who are particularly interested in housing and want to see the projects carried through; and the mere fact that they are willing to take a gift from the Federal Government is certainly no evidence that the Federal Government ought to make that gift.

As a matter of fact, there are a good many cities which are getting doubtful about participating in this program simply on account of the tax exemption. In Cincinnati we have a large project which has general approval, but it has eliminated a very substantial amount of the taxes which the city government is able to collect. It means, of course, that to a large extent the persons who own their own homes are going to have to pay the taxes of the persons who live in these apartments and do not pay any taxes; and while I think we would support one more project with interest and enthusiasm, beyond that we would soon get to a point where the burden on the other taxpayers would be so heavy that they would not be willing to assume the additional burden. I do not think the argument that some local people want the projects is necessarily a sound argument.

Mr. Straus testified that—

The \$800,000,000 increased authorization is merely an authorization to us to borrow that sum, that it is entirely and fully repayable, with interest, and does not affect the public debt, nor would it be included in the public debt.

It is, however, an unqualified obligation of the United States Government, and I do not see why it is not an addition to the public debt. As I have already explained, the only difference is that instead of having to pay interest on it, we have to pay these subsidies to the Housing Authority, and we enter into a binding contract to pay the subsidies for 60 years, whereas if we issue our own bonds we at least can call them from time to time, take advantage of lower rates of interest, and adjust the interest in such a way as to be less of a burden. So I say that not only is this obligation in substance a debt, but it is a more burdensome debt than it would be to issue our bonds in the same amount.

Another argument advanced by the Administrator is as follows:

I am convinced that the rents in the U. S. H. A. projects will be the lowest achieved in recent times for decent housing, public or private. The paramount objective of the act is to provide homes which will be rented at a figure so low that they will be available to families in the lowest income groups.

Mr. President, private individuals can build homes just as cheap as these homes. Private industry today can build homes at \$1,000 a room, and that is substantially what these homes cost. The only reason why the Administrator is able to supply low-rent housing is simply because we subsidize

the housing. If we should subsidize private individuals in their homes they could get just as low rent as the United States Housing Authority is giving. There is a constant flood of propaganda on this subject which seems to me to misrepresent the facts and prevent an intelligent consideration of what our real policy should be.

In that connection I should like to read a statement by Mr. Paul Mallon which appeared in the newspapers of June 1. He says:

A New Deal annual award of a nut-indenting cookie for the outstanding propaganda of the year will undoubtedly be voted to the U. S. H. A. without a dissenting vote among the Government publicity agents.

Up until last Friday there might have been some doubt. Then the United States Housing Authority gave to a waiting world (one-third ill-housed) release No. 298. It is a beautifully written account of what an excellent job U. S. H. A. is doing, tersely condensed to 78 mimeographed pages. Not the least of its innovations was the omission of numbering from its pages, so that no one could tell how many pages were in it unless he sat down and counted each one.

The other prizeworthy feature of the massive handout was a larger omission. Nowhere in it can you find out how many dollars have actually been spent in clearing slums. Figures there are galore, bright big figures * * * "\$27,514,000 additional loans approved for 19 cities." * * * "This makes \$434,653,000 in loan contracts." * * * "Earmarkings are \$225,385,000." * * * "Grand total of \$660,038,000 in commitments." You may mark your ear or pull it off but you still will not find out how many slum dwellers now have better homes.

The unannounced truth of it is that the grand total of \$660,000,000 of commitments includes about \$225,000,000 which has merely been set aside for use of certain cities if they want it. The remaining \$435,000,000 represents specific agreements with cities which may or may not cancel them.

Actual total of money spent up to the other day was a measly \$37,000,000.

I think Mr. Mallon understates the amount actually spent, but only \$100,000,000 of bonds has yet been issued.

Quite an argument is made in favor of the employment of men in these housing projects. I can only say that the employment of men in private housing ought to be three or four times as important as this particular employment; and, of course, this is not a relief measure. For every man on the job in these housing projects the cost to the Government is about \$6,000 a year, which, of course, is away beyond any question of relief. If we include the men who are supposed to be working in producing the materials, the cost will amount to about \$2,250 for every man who is given any kind of a job. Of course, that is about three times as expensive as relief, so it is not really relief at all but low-rent housing construction.

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. TAFT. Certainly.

Mr. WAGNER. Would the Senator suggest that we do not pay the prevailing rate of wage, and in that manner reduce the cost?

Mr. TAFT. Not at all. I am only suggesting that this housing policy is not a relief policy. It is not a policy which is going to stimulate employment, except as any public-works policy is desirable in hard times.

There are several other methods of providing housing. We have the F. H. A. This year we have authorized the F. H. A. to insure a billion dollars more of contracts. We have the building and loan associations, which I think under proper stimulation and assistance from the Government, and a more friendly attitude toward the Federal home-loan bank on the part of the administration might do what the building and loan associations are doing in England, where they have built 3,000,000 homes in a very short time.

I do not suggest that we should abandon the low-rent housing policy. I only say that it includes things which have not been adequately considered. Must we subsidize rents as much as \$200 per family per year? Is that amount of subsidy really necessary in order to take care of the lower-income groups? Have we considered the question of the relative position of persons who buy their own homes?

A man buys his own home, and he has to put up the money to pay the interest and sinking fund on the construction cost. He has to pay the taxes, \$40 every year. Right alongside of him a man comes and lives in one of these Government

houses and does not have to put up a cent for interest, amortization, or taxes. If we are going to subsidize, why subsidize only low-rent housing projects? Why not subsidize people to build their own homes as well as people who live in apartment houses?

Mr. WAGNER. Mr. President, will the Senator yield at that point?

Mr. TAFT. I yield to the Senator.

Mr. WAGNER. Can the Senator conceive of a family having an income of only four, five, or six hundred dollars a year being able to purchase their own home and amortize the debt?

The reason why we are providing subsidies, as I know the Senator appreciates, is because the families for whom we are providing have such low incomes that they cannot live in decent homes and pay out of their incomes the rent which private industry would exact. We are either going to take them out of the slums and give them a chance in life through a subsidy or else they will have to remain in the slums.

Mr. TAFT. I want to say to the Senator that I am not questioning the fact that we are going to have to grant a subsidy of some size; but I am asking, Is this the proper way to grant the subsidy? Might we not also subsidize persons to live in their own homes, subsidize them in private housing? The point I am trying to make, as the Senator understands, is that this whole policy seems to me to be so doubtful, there are so many questions involved in it that have not been solved, that we ought to go slowly until we are able to conduct some kind of investigation to determine what should be done to coordinate these different activities of Government. Persons from one of these three activities have appeared before our committee criticizing the policy of one of the others. You may talk to the U. S. H. A. people, and while they are friendly to the F. H. A., they are inclined to pooch-pooch it. If you talk to representatives of the F. H. A., you find that they are pretty doubtful about the U. S. H. A.; and the Federal home-loan bank is doubtful of both. So my suggestion is that there are so many different questions which have not been solved, there is so little coordination in the policy, there has been so little thinking out of the housing policy, that we ought to go slowly until we have developed a definite program.

Mr. WAGNER. Mr. President, will the Senator yield at that point?

Mr. TAFT. Yes.

Mr. WAGNER. The policy which was originally adopted in 1937 is a policy and a pattern which has been adopted by other countries which have had years of experience in taking care of persons in the very low income group, particularly England. They have done a great deal more than we have done.

Mr. TAFT. But I have tried to point out to the Senator that for approximately the same amount of money the English are going to house a million families, whereas we are housing only 500,000.

Mr. WAGNER. Our limitation on a subsidy contribution by the Federal Government is 3½ percent. England goes as high as 5 and 6 percent in some cases.

Mr. TAFT. And yet the total English subsidy is \$75,000,000, which houses a million families. After this program is carried out we are going to have a subsidy of \$73,000,000 for 500,000 families; so the English subsidy is approximately one-half the American subsidy.

I want to say further to the Senator that I recognize the principle of subsidy. We have gotten into such a condition that we must recognize that there are people with incomes of less than a thousand dollars who must receive certain forms of relief. We have adopted a policy of giving them direct relief; we have adopted a policy of giving them work relief; we have adopted a policy of spending Federal money in providing old-age pensions for them. We already have done subsidizing to some extent, in providing health service, and now in this matter we are subsidizing housing service. Those policies have been adopted, and I am in favor of continuing them. No matter how prosperous we get, whether we suc-

ceed in putting back to work the 12,000,000 people who are out of work today, I think we are still going to have many people earning less than enough to live on decently, because there are so many jobs in this country the products of which, under any economic system I know of, simply are not worth the money they would have to bring to enable those who produce them to maintain the American standard of living; and a certain number of people are going to have to carry on in that kind of jobs. It is not possible to persuade the rest of the people to pay for those products more than the products are worth, and there will always be that group of low-income people.

I believe in the general policy of helping those people, of subsidizing them, if you please, so that they will to some extent receive an equivalent which will bring them up to the decent standard of living that is necessary. But in this housing authority business, the subsidy program is so extremely expensive, it is so doubtful how far we are to go, there are so many questions to be solved. Why should a few low-income people, why should 500,000 low-income families receive, under this type of legislation, governmental subsidy and housing, and 9,500,000 other families not get any such assistance at all?

Mr. WAGNER. Mr. President, will the Senator yield?

Mr. TAFT. In the relief field, for instance, we help everyone who is in need. Here is a policy which is taking care of but a little piece out of the entire field of need.

Mr. WAGNER. I recognize the fact, of course, and we have asserted it over and over again, that we cannot anywhere near take all of the slum dwellers out of the slums and give them decent places in which to live; but is that any reason for not doing what we can to eliminate the evil? We are told now that we could save \$10,000,000,000 a year if we would give medical care to those who need it and cannot have it now. Because we cannot take care of all of them, should we cease taking care of some? We have the same problem in connection with the pending legislation. If we cannot cover all those who need assistance, let us do the very best we can. The Senator seems to be stating in one breath that we are not doing enough because we are not taking care of all these people, and then in his very amendment he cuts the amount down so that we can do even less than is proposed under the pending legislation.

Mr. TAFT. My reason for wanting to cut it down is that I do not think the policy has been sufficiently considered; I do not think we have looked where it is we are going. The Senator is quite right, if we are to house 500,000 low-rent families we ought to be prepared to step in and house all of the low-income families who are entitled to the same relief this 500,000 will get. But before we do that, let us see how much it is going to cost, and let us decide whether \$158 per family per year is too much, whether that much is necessary.

Mr. WAGNER. Mr. President, will the Senator yield further?

Mr. TAFT. I yield.

Mr. WAGNER. Has the Senator some other method than is provided in the legislation and in its administration for determining the amount of subsidy which ought to be paid in order to make a particular apartment available for the persons of the low-income group?

If I may add a word, we are getting down to families with incomes as low as three and four hundred dollars a year. When Congress passed the Housing Act, our idea was to get to the very lowest income group and try to help them first. In order to get the rent down to reach that low income group, we have to provide a fairly reasonable subsidy, and as the income increases, the subsidy payment will be less. But, so far as I am concerned, I want to get down to the very lowest income, and that will require a larger contribution.

Mr. TAFT. Suppose we said to any individual who wanted to build his home, "If you will borrow \$3,000 we will give you a thousand dollars outright." Suppose we propose to subsidize the home owner instead of the renter. Expending a thousand dollars is going to be a great deal cheaper than

paying \$150 a year for 60 years to come. I am not advocating any particular method of subsidy; I say this is an extremely expensive method, and before we go ahead, before we plunge indefinitely into this field, which can lead nowhere except to something like an expenditure of \$20,000,000,000, let us go a little slowly, and let us have a survey of the whole question.

Mr. WAGNER. Mr. President, if the Senator will yield, there is no proposal to spend \$20,000,000,000. But while the Senator is talking about helping, by advancing a thousand dollars, the individual who has \$3,000 with which to build a home, I am talking about families who for the whole year have an earning capacity of four to five hundred dollars, hardly enough to enable them to buy enough to enable the family to subsist. How can the Senator talk about bringing that class under such legislation as is proposed, a family which is prepared to make a \$3,000 down payment? We are dealing with that class under F. H. A., but I am not concerned with those families at this time. A family which can put down a payment of \$3,000 is fairly well off these days. I am talking about the slum dweller.

Mr. TAFT. If we finance a slum dweller or anyone else to the extent of a thousand dollars, he can borrow \$3,000 and build himself a house. That is not the question. The trouble is, can he live in the house after he gets it? A thousand dollars today will finance any reasonable four- or five-room house. As a matter of fact, the number of people with incomes of three or four hundred dollars a year, taken care of by this department, is not great. The incomes run on the average between \$800 and \$1,000 a year.

The point I desire to make is that this is an extremely expensive method of handling the matter. There are plenty of other ways of doing it. We can subsidize home owning. Personally, I think it is necessary to have a certain number of low-rent housing projects, but I think that, just so far as we can help people to buy their own homes instead, we ought to do it. Someone should sit down and decide how many of these families may be able to have their own homes and how many families cannot, how many families, after we get through, are going to require a definite subsidy of as much as \$150 or \$200. Are we to give the same subsidy to a man who has \$300 a year as to the man who receives a thousand dollars a year? We are, under this plan, apparently.

Mr. WAGNER. Mr. President, the income of the individual family that is to be housed by these projects is examined into. If a man earns above a certain sum, he is not eligible as an occupant at all, he has not a chance to get into one of the homes, because he is not a slum dweller.

Mr. TAFT. The Senator was talking about families with incomes of three or four hundred dollars a year. He is proposing to give them exactly the same subsidy, \$200, that is given to a man with an income of a thousand dollars a year, because that is the highest limit that is proposed for admission to these housing authorities. In other words, if we are to subsidize housing, there is the question, must we subsidize it by Government housing, or should we not subsidize each family as we go along, and should we not revise the subsidy every year in accordance with their means? I do not say that is a good policy, I say that is a question which must be considered before we plunge into a policy which is going to cost us \$20,000,000,000.

Mr. WAGNER. If the Senator will yield, that is the policy which has been adopted by the Housing Authority already. There is a provision in the contract for a reexamination of the rent charge, of the economic situation in the community, and as to whether a larger contribution can be made by the particular occupant or not. That is now provided by law.

Mr. TAFT. I do not wish to contradict the Senator, but my understanding is that the rate per room in every apartment in one of these projects is exactly the same. Whether a man gets \$300 a year or a thousand dollars a year does not make any difference.

Mr. WAGNER. In any one project?

Mr. TAFT. Yes.

Mr. WAGNER. Of course; otherwise we will begin to indulge in all kinds of favoritism. But the lowest-income group in a particular community has first choice, and the slum dweller who lives in a slum and is to be rehoused in a new project has first choice, so long as his income is low enough.

Mr. TAFT. Of course, that is the policy proposed, but as a matter of fact not one single project of the United States Housing Authority has been opened, and in the only projects which have been opened, the P. W. A. in Cincinnati, for instance, a man must receive at least \$1,000 a year before he can get into the project. That policy, I suppose is going to be changed, but that is the policy up to date. In other words, the whole thing is experimental. No one knows what they are going to do when these things are finally worked out, and that is the reason why I urge that we be somewhat slow about throwing out another \$800,000,000 the first of July.

Mr. WAGNER. Now we have reached a stage where, as a result of experience, we do know something. We do not have to experiment further except in the reduction of costs, and that is being taken care of every day. The Senator himself pointed out how in the city of New York the estimates of construction costs in the case of the Queensbridge project are 10 or 12 percent below the original estimates. So that we are getting our costs down. That is a matter of experience.

Mr. TAFT. The Senator is exceedingly optimistic if he can stand here and say that the housing policy of the United States is not still in an experimental stage. It is the most experimental activity, practically, in which we are engaged, and we are conducting more experiments than any nation has attempted in the history of the world.

Mr. WAGNER. I think we have learned a great deal in the last 5 or 6 years.

Mr. TAFT. Certainly we have learned a great deal in the last 5 or 6 years, but we have a good deal more to learn.

In addition to the amendment I am now discussing, I have proposed another amendment, to create a joint committee of the House and the Senate to consider the entire housing program, United States Housing Authority, Federal Housing Authority, and the Federal home-loan bank, and report next year.

My suggestion is that we give the Authority \$400,000,000, enough to carry out the next year's program, and then next year have a report from the Authority which will say, "Here is in substance what we ought to do." Instead of spending \$400,000,000, perhaps we ought to spend a billion dollars a year. I do not know. That is quite possible, because the Administrator testified that he would like to house 300,000 families a year, which would mean spending a billion three hundred and fifty million dollars a year instead of \$800,000,000 as now suggested here.

I do not know what the result of a committee investigation might be. I should be very hopeful that such a report would show that this kind of housing is needed only in a limited quantity, and that we could get it done cheaper, and with a smaller subsidy, or financed through the U. S. H. A. or the Federal home-loan bank.

My amendment does not provide any check on the progress of the United States Housing Authority. Up to date they have allotted \$650,000,000. They have not started much construction with that money, and they have finished nothing. If we adopt my amendment the Authority will have \$150,000,000 left over, and will have \$400,000,000 more. So that during the next year they will have \$550,000,000 to allot to projects. In the period of a year and one-half, up to this date, they have allotted only \$650,000,000. So they will be able to proceed on a larger scale than they have heretofore.

The testimony with respect to construction showed that under the present program we will not reach the peak of construction until January 1940. The peak of construction, during which about 175,000 men will be employed on the job, will last from about January 1940 until May 1940. If we provide another \$550,000,000 now, it means that that rate of

construction can continue until May or June 1941, and we will have plenty of time next year to provide the money which it might be decided at that time is necessary to continue the work beyond May 1941.

I think we want steady employment. We do not want to pour in \$950,000,000, have it all allotted tomorrow, put a tremendous number of men to work, and then find that \$950,000,000 a year is more than we want to spend. We do not want to build up a tremendous employment and then throw a lot of building mechanics out of work. That is the trouble about the whole plan. Today there is no planned program as to rate of construction. I asked the Administrator on that point, and after considerable difficulty received the answer which is printed in the Record.

To go ahead and every year build a definite number of homes would be the intelligent way to approach this problem. Incidentally, the longer we wait the cheaper it is going to be. The Administrator himself testified that every day they are finding new ways to cut down the cost of this particular housing. The longer we wait the less it is going to cost us to build the same number of family apartments. So I say, Very well; put in your \$400,000,000. That continues the program for a period of 2 years. Think of it. Today not a single apartment house has been opened. We do not know what the policy is going to be. We do not know how the Authority is going to spend the money. We do not know how the people who are in the U. S. H. A. projects are going to live, or whether they are going to like them, or whether the rentals are going to be satisfactory. The thing is experimental.

I state to the Senate that the proper thing to do is to cut the amount in half, and then adopt the other amendment which provides that—

A joint committee of the Senate and House of Representatives is hereby established to consist of five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, and five Members of the Senate, to be appointed by the President of the Senate. It shall be the duty of such committee to make a comprehensive study of the activities of the Federal Government in the field of housing, particularly as administered by the United States Housing Authority, the Federal Housing Administration, the Federal Home Loan Bank Board, and other agencies of a temporary or emergency nature.

We have an experiment in Fort Wayne, Ind., and I understand we have a successful experiment in Uvalde, Tex. All those different plans could and should be considered by this committee.

Such committee shall particularly consider—

(1) The formation of a long-range plan for stimulating slum clearance and the construction of new housing for the lower and middle income groups with a minimum of outright Government subsidy;

(2) The coordination of all Government housing activity under one administrative head and the consolidation or elimination of agencies where such consolidations or elimination will promote greater economy and efficiency in administration; and

(3) The stimulation of private investment and private industry in the housing field.

As far as I can discover, and I went back through the books, each one of the three different policies of the Government has been adopted independently by a different committee after a separate investigation. Each one is the pet of a particular group of people which thinks it knows what ought to be done about housing. I propose here the establishment of a joint committee of the House and Senate rather than a departmental committee, because I think the committee will have to hold the scales of justice between these different departments, and listen to each of their complaints, and form a judgment which I hope ultimately will be the judgment of the Senate, as to how important each project may be, how much low-rent housing there should be, how much private industry should do, how much stimulation there would be through the insuring of loans.

I think that presents a constructive policy, and I hope very much that the Senate may see fit to adopt both amendments and put the United States in line for the adoption of a housing authority based on some intelligent consideration, on sound judgment, and on consideration for those low-income

groups for whom the Senator from New York [Mr. WAGNER] is so solicitous.

THE PRESIDING OFFICER. The question is on agreeing to the amendments offered by the Senator from Ohio [Mr. TAFT] on page 3, line 5, and page 3, line 13.

**PURCHASE OF DUTCH POSSESSIONS IN THE WESTERN HEMISPHERE,
DUTCH WEST INDIES ISLANDS AND DUTCH GUIANA**

Mr. LUNDEEN. Mr. President, the United States is spending on its military budget, both Army and Navy, many hundreds of millions of dollars, a substantial part of which is for items which will be obsolete in the course of a few years. It is not a permanent investment on the books of the Government. Would it not be the part of wisdom to invest some of these millions in a permanent improvement of our national defense in a portion of our armor which is vulnerable? I speak of the Caribbean Sea, and more particularly in the crossroads of the Caribbean. I refer to that strategic island, Curaçao, which has the finest harbor in the Caribbean.

It is important today from the standpoint of sea and air power as it was in the days of wooden ships and iron men, when the Spaniards, the French, the English, the Dutch, and the Portuguese fought for its control as the point of vantage in the Caribbean. Ask our military tacticians about its importance. Ask our economic experts as to its position in the defense of our dwindling trade in South America. If we are honest in our search for a haven for refugees which we cannot absorb, let us examine those islands which for 300 years have been not only a haven but a heaven for the Jews of Portugal and Spain. In fact from these islands they have sent missionaries to the United States and have endowed synagogues in our cities. Let us look at the subject with frankness, and with a sense of realism:

Curaçao sits as a sentinel in the crossroads of the Caribbean, athwart the sea and air routes between South America and our eastern seaboard. It sits across the sea and air route between the Windward Islands and Panama. It is today an open approach to Central America. It could be an unlimited and endless fueling station for a hostile fleet.

We persuaded Denmark to sell us the Virgin Islands, not for their famous rum, but for their military value alone.

That was a wise military investment for the future. The purchase of Florida, the Louisiana Purchase, the purchase of Alaska, all were condemned by the unthinking at the moment.

The Dutch possessions in the Western Hemisphere consist of the group of Dutch West Indies Islands, the main one of which is Curaçao, and Dutch Guiana—Surinam—on the north coast of South America between French Guiana on the east and British Guiana on the west.

LOCATION

The islands consist of Curaçao, the largest and most important, and its dependencies, Aruba and Bonaire, about 50 miles off the coast of Venezuela; about 500 miles to the northeast is a less important group, namely, Saba, St. Eustatius, and part of St. Martin, all in the neighborhood of the Virgin Islands and about 100 miles to the eastward of the Virgin Islands. The two most important towns are Willemstad, the splendid port and capital of Curaçao, with 29,000 population, and Paramaribo, on the Surinam River in Guiana, 8 miles from the sea, with a population of 40,000.

AREA

The Dutch West Indies Islands have a total area of about 400 square miles. The main island of Curaçao is 40 miles long and contains 210 square miles. Aruba contains 49 square miles, Bonaire 95 square miles, St. Eustatius 9 square miles, Saba 5 square miles, and Dutch St. Martin 18 square miles. The area of Dutch Guiana is approximately 54,300 square miles, larger than that of the great State of Iowa, making the total area of the islands and Dutch Guiana almost 55,000 square miles. This area is equal to the size of the States of Pennsylvania and Vermont.

TOPOGRAPHY AND CLIMATE

Coral reefs surround Curaçao Island. The island is not mountainous but is rather flat, with some hills. The climate is warm, dry, and healthy. The average temperature from December to March is about 80°.

Dutch Guiana is divided into four regions: (1) The alluvial land along the coast about 3 miles inland; (2) the forest region, much of which is still unexplored, whose soil is rich and whose vegetation is dense; (3) the sandstone region, intersected by rivers and small forests; and (4) the savannahs, which consists of grassy regions and forest areas.

COMMERCE

The net tonnage entering the ports of the islands in 1935 was 19,070,226 tons, representing the tonnage of 11,382 vessels. The tonnage of the vessels entering Dutch Guiana in 1935 was 296,997 tons, representing 227 vessels. In 1936 the import and export trade of these islands with the United States was approximately balanced, the imports being in excess of \$14,000,000, and the exports slightly below \$15,000,000. In 1936 the total imports from all countries were valued at \$116,109,000, and the total exports at \$111,516,000. The export of mineral oils from Curaçao and Aruba in 1937 amounted to about 135,000,000 barrels, placing them among the world's greatest oil exporters.

However, the ratio of trade with the United States from Dutch Guiana is not balanced, inasmuch as the imports were of approximately \$300,000 value, and the value of the exports was approximately \$1,000,000. It is, therefore, apparent that while Dutch Guiana is a much larger territory and has greater natural resources yet undeveloped, its foreign trade is only a fraction of that of the Dutch West Indies Islands, principally Curaçao.

FINEST FUELING STATION IN CARIBBEAN

Curaçao is located strategically in the path of the Trinidad-Panama shipping and athwart the New York-Venezuela lines of communication. Willemstad in Curaçao has been described as the finest fueling station in the whole Caribbean. The harbor can accommodate the largest ocean steamers. It is one of the most thriving ports in the West Indies. A great number of vessels can dock simultaneously. The reason for the expansion of Willemstad as an outstanding Caribbean port is the oil wells of Venezuela.

ADJACENT TO RICHEST OIL LAND IN WORLD

Maracaibo, on the Maracaibo Gulf in the northwestern corner of Venezuela, is the center of the Venezuela petroleum industry. The Gulf of Maracaibo, however, is too shallow for ocean-going vessels, and consequently the petroleum is pumped through a pipe line to the Dutch island of Curaçao where it is refined and then exported through Curaçao's fine harbor.

Venezuela is one of the richest oil-producing countries in the world. Oil is found in an area of approximately 27,000 square miles, and of this area the Lake Maracaibo district is the richest. Due to the inability to transport this oil directly from the Maracaibo oil fields the Dutch island of Curaçao benefits from its capacity to refine and reexport this rich product. The British-Dutch Royal Shell group shares the field with the Standard Oil Co.

AMERICAN OIL AND ALUMINUM COMPANIES

The American Standard Oil Co. has established a very large oil refinery at St. Nicholas, on Aruba Island. American industry therefore has penetrated into two of the most lucrative industries in the Dutch West Indies, namely, the bauxite or aluminum industry in Dutch Guiana at Moéngo, which is controlled by the American Aluminum Trust, and the oil refining business in the islands of Curaçao and Aruba, where the Standard Oil Co. has great business interests.

ONE-FIFTH OF WORLD'S ALUMINUM

One-fifth of the world's aluminum is found in Dutch and British Guiana. The production in Dutch Guiana is about 400,000 tons per year, and in British Guiana about 300,000 tons per year. Oxide of aluminum or bauxite is the source of commercial aluminum metal, and it is found in a rather pure state, easily accessible for mining.

THE CROSSROADS OF THE CARIBBEAN—A POINT OF VANTAGE

Curaçao has been described as the crossroads of the Caribbean Sea. The Dutch originally captured Curaçao in order to secure a point of vantage in the Caribbean. The port of Willemstad on the island of Curaçao has the finest

harbor in this region. The Dutch used it as a base from which to harass the Spanish shipping in the sixteenth and seventeenth centuries, and its military value is increasing today. It must be acquired by the United States; and sooner or later it will be.

SOME COMPARISONS

The statistics relating to shipments from the United States to Alaska for the 12-month period for December 1938 show a total of \$42,676,441, whereas the shipments to the United States from Alaska for the same period equal \$56,044,728. These figures relative to commerce with Alaska are of great interest in comparison with the exports and re-exports from the Dutch West Indies, which for the 12-month period ending December 1938 were \$42,784,879 in exports from the United States of America. The imports to the United States of America for the same period were \$20,578,511. The above figures relating to imports and exports are based upon the report of the Bureau of Foreign and Domestic Commerce, United States Department of Commerce, compiled by the Division of Foreign Trade Statistics.

To repeat, the exports from the Dutch West Indies for the year 1938 were \$42,000,000. In dollar value this is close to the total mineral production of the State of Colorado in 1935, which is reported by the United States Bureau of Mines to have been \$44,413,000.

A MARKET FOR AMERICAN AGRICULTURE

The Dutch West Indies have been, and should continue to be, a good market for important American products—more particularly flour, corn meal, lard, meats, and canned goods. Part of this market was lost to South America during the World War, and part of the market went to France and Holland.

Butter and cheese imports from the United States are a substantial factor in food imports. Some of the markets lost during the World War have not yet been recovered.

Lumber, cement, and building materials are largely imported from the United States, although English and Swedish cement are strong competitors.

POPULATION AND RACES

A study of the population from a racial standpoint is most interesting. For example, Dutch Guiana has a total population of approximately 150,000, counting the so-called bush Negroes and the aboriginal Indians. The exact number of bush Negroes and aboriginal Indians is not definitely known. It is stated in authentic reports, however, that there are approximately 40,000 British Indians; 33,000 Japanese; 65,000 natives, including 17,000 bush Negroes and 2,500 aboriginal Indians; 2,000 Chinese; and only 1,900 white Europeans.

In addition to the so-called bush Negroes there is a very large number of plantation or town Negroes of various shades. It is easy to understand why there is not any real nationalistic feeling among the non-Dutch portion of the population or any attachment to the political institutions of the country.

COMMERCE CONTROLLED BY THE JEWS

In all of the Dutch West Indian Islands there are many descendants of Portuguese and Spanish merchants of the Jewish race, and this group has largely controlled the commerce of the islands, according to the Commercial and Industrial Handbook issued by the Bureau of Foreign and Domestic Commerce (No. 212, 1922, p. 449). It is stated that they are closely connected by partnerships and form a compact commercial unit. They are sometimes referred to as the "uncrowned kings" of the Dutch West Indies. These shrewd merchants have contributed much to the prosperity of the islands. In fact, it is an interesting historical incident that this group extended its philanthropy to the United States by establishing four synagogues in the United States which were erected wholly by funds contributed by a few rich Jewish families of the island of Curaçao. These old patricians—Portuguese and Spanish Jewish families in the islands—have been the most influential groups from the time they settled there around 1635.

A HAVEN FOR THE JEWS

In this day when immigration to Palestine has been restricted by the British Government it would seem that the

Dutch West Indies and Dutch Guiana might furnish a haven for the refugees of this race. This fact should assume a special importance, inasmuch as the existence of millions of unemployed in the United States precludes the change of immigration restrictions to refugees from any land. The fact that this race has thrived in the West Indies should be an inducement to other members of the same race to secure a haven in such favorable environment. The climate of Dutch Guiana and the islands is very favorable. It is generally warm, dry, and healthful. In fact the climatic conditions were a strong inducement to the original settlement of these islands by Europeans.

DUTCH GUIANA A VIRGIN TERRITORY

Dutch Guiana, with its more than 54,000 square miles of territory, having a population of not in excess of 150,000, almost one-third of which is in the capital of Paramaribo, is virgin territory for economic development. On a basis of a population of 150,000 and an area of more than 54,000 square miles, it will be noted that there are only three persons to the square mile of territory. From an agricultural standpoint it will be noted that the Dutch West Indies produce a variety of crops, such as cotton, sugar, rice, coffee, cacao, as well as other more profitable crops. Its mineral resources include salt, phosphate of lime, gold, and bauxite.

LANGUAGE

The language depends on the locality, but is largely English and Dutch, with a native language predominating among the native inhabitants. Spanish is the language of the educated classes.

A CHANGING SCENE

The changing of flags apparently has no great significance so far as the body of the population is concerned, and this is evidenced by the fact that these islands have been captured and recaptured, ceded and receded, traded and retraded, without inquiring of the desires of the native population, and apparently without any concern on their part. For instance, the Island of Curaçao, which is the largest of the West Indies, was settled by the Spanish in 1527; captured by the Dutch in 1634; captured by the English in 1800; shortly thereafter recaptured by the Dutch; recaptured by the English in 1807; and finally restored to the Dutch in 1816. Dutch Guiana was settled in 1630 by the English, and in 1644 was largely taken over by the Dutch, Portuguese, and Spanish Jews.

ENGLISH TRADED GUIANA FOR NEW YORK

The Dutch military occupied Guiana in 1666, and in 1667 the English gave up their claim to it in exchange for New Amsterdam, later New York. It was again taken over by the English in 1799, and was held by the English until 1816, when it was finally recovered by the Dutch.

NO STRONG NATIONALISM

In none of these transfers of territory was the native population consulted by the conquering nations, and it is likely that the transfer of sovereignty did not have any great effect on the sentiments of the body of people. It is equally obvious that in a territory with such differences of language and race and illiteracy there is an absence of any effective national spirit.

AIR BASES AND AIR LINES

In a time of rapid expansion of air power it is interesting to note that Dutch Guiana is on the main transport routes from Florida and South America via the West Indies. It is strategically situated on the Lesser Antilles and Central America and lies across the route from the Greater Antilles to South America.

PURCHASE OF GREENLAND

I have before me some maps which many Senators who are familiar with the Caribbean region have examined. The great Pan American Airways are covering this region now. These possessions—the Dutch, the British, the French, and the Danish—furnish excellent harbors and fine airports. I hope, at a later date, to have considered my resolution providing for the acquisition by purchase of Greenland—surveyed by our own great Lindbergh and found to be on the great northern circle route.

SOVIET FLYERS USE GREENLAND

Recently the Soviet flyers came across the tip of the Greenland Peninsula. I have made some research and investigation of its resources and harbor facilities and landing facilities. That land, too, must come under American dominion; it must be acquired by purchase from the Danes in the manner we acquired the Virgin Islands.

WILLEMSTAD THE BEST HARBOR IN THE GREAT CARIBBEAN SEA

It may be stated that the Dutch West Indies afford in Willemstad the best harbor in the Caribbean Sea. When one thinks of the great territory covered by the Caribbean it is saying a good deal to state that Willemstad is the finest harbor in that entire region. It is also one of the largest oil shipment centers in the world. Certainly it is as much a point of vantage today as it was in the fifteenth, sixteenth, and seventeenth centuries when the maritime nations of the world fought for its control. It lies across the air and sea lines between our eastern coast and South America, and also athwart the Windward Islands and the Panama Canal. Dutch Guiana is a vast virgin territory of immense resources. It is a vital necessity to America in her national-defense program. Its resources are tremendous and its territory as yet barely explored. It is American territory. It belongs to the Panama Canal defense zone. The day will come when the Stars and Stripes will float over its cities, fields, and forests forever.

Mr. President, I have a brief bibliography giving information along the line of my remarks, which I ask to have included in the RECORD at this point.

The PRESIDING OFFICER. Without objection, it will be printed in the RECORD.

The bibliography is as follows:

- A Commercial and Industrial Handbook. Bureau of Foreign and Domestic Commerce. No. 212, 1922.
- Crossroads of the Caribbean Sea, by Hendrik De Leeuw.
- Dutch Problems in the West Indies. By Army Vandenbosch. Foreign Affairs, volume 9, set I, 1930-31.
- Monthly Summary of Foreign Commerce of the United States. December 1938.
- Monthly Summary of Foreign Commerce of the United States. December 1937.
- The Caribbean Cruise, by Harry L. Foster.
- The Pocket Guide to the West Indies. Sir Algerion Aspinall.
- The Isthmian Highway. A Review of the Problems of the Caribbean. By Hugh Gordon Miller, LL. D. Foreword by Don Miguel Cruchaga, former Chilean Ambassador to the United States. Member of the Hague Permanent Court of Arbitration. Introduction by James M. Beck.
- The South American Handbook, 1937 (published in London).
- The Suez Canal. Its history and diplomatic importance. By Charles W. Hallberg. Columbia University Press.
- The West Indies Year Book, 1937 (published in London).
- The Statistical Annual of Surinam for the year 1935.
- Tekst van het verslag van bestuur en staat van Curaçao over het jaar 1935. Rijksuitgeverij Dienst Van De Nederlandsche Staatscourant 1937.

Mr. LUNDEEN. I also wish to refer to the speech which I had the privilege to deliver before the Senate on the 19th of April 1939, concerning the war debts and the West Indies, in which I included the two resolutions with reference to Greenland and the Danish and Dutch possessions, resolutions which propose negotiation for purchase of all Danish and Dutch possessions in America. That speech is to be found in the CONGRESSIONAL RECORD of the Seventy-sixth Congress, first session, page 4456.

I ask that Joint Resolution 120 be reincorporated at this point in the RECORD as a part of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The joint resolution (S. J. Res. 120) is as follows:

RESOLUTION FOR PURCHASE OF DUTCH POSSESSIONS

Whereas adequate provision for the protection of the Panama Canal is an indispensable feature of our national-defense policy; and

Whereas possession of the colony of Curaçao and Netherlands Guiana by the United States would enable it to provide more adequately for such protection; and

Whereas the colony of Curaçao and Netherlands Guiana export products in which the United States is deficient and import products of which a surplus is produced in the United States: Therefore be it

Resolved, etc., That the President is authorized and requested to enter into negotiations, in such manner as he may deem appropriate, with the Government of Her Majesty the Queen of the Netherlands for the acquisition by the United States of the colony of Curaçao and Netherlands Guiana. Such negotiations shall be conducted with a view to the making of a treaty between the Government of the United States and the Government of Her Majesty the Queen of the Netherlands providing for the purchase by the United States of the colony of Curaçao and Netherlands Guiana.

NEGOTIATION AND PURCHASE

Mr. LUNDEEN. Mr. President, in these days when we are expending huge amounts for the Army and the Navy and aircraft, I ask that the Senate do something constructive. An examination of the region between the tip of Florida and Trinidad, where one can stand on the hills and see the continent of South America, must convince the most skeptical that the great ships of the Navy of the United States cannot reach the Panama Canal without the permission of foreign powers. The string of islands, the long bow string, from South America to the tip of Florida bars the way. That string of islands, with a few submarines and a few mines, constitutes an impassable barrier. All this territory must be under the American flag. It can be acquired by negotiation and purchase.

ALASKA—THE LOUISIANA PURCHASE—ACQUIRED BY NEGOTIATION AND PURCHASE

I ask Senators, who are harassed by great domestic problems such as the housing bill, which the Senate has now under consideration, to remember that when our Government was considering the purchase of Florida, when it was considering the purchase of Louisiana in the days of Jefferson and Jackson and other great immortals of American history, when it was considering the purchase of the Oregon Territory, and the Gadsden purchase, men spoke lightly of those territories and possessions. I have had people say to me, "What do you want with those sand bars down there in the West Indies?" Men of intellect, men of intelligence, men of great education, they constitute some of our finest citizens, but I submit they are not informed about the resources of this region. They do not know that at the harbor of Willemstad, \$125,000,000 of merchandise flow in and out each year; they do not realize that at Willemstad are some of the greatest oil refineries of the world. They, perhaps, have never examined into the fact that Willemstad is the finest harbor in the entire Caribbean region, and must become an American port.

While our State Department is so busily engaged in ventures to "save the world," in setting up the pins for whatever emergencies may be advancing in the future, perhaps we might save for America some of the neighboring territory lying just off our coast.

BERMUDA AND THE WEST INDIES

At some future day I desire to discuss the island of Bermuda, lying in a most strategic position, which should be acquired. I do not wish at this moment to discuss the manner and method of acquiring Bermuda nor any of the West Indies Islands, but at a later date I hope to do so at some length.

These islands are North American islands; they are off our own coast. We already have Puerto Rico. Recently, it will be remembered, we appropriated a large sum of money for air and other defenses in Puerto Rico. Who is there today who will deny that it was an excellent thing from a military and naval point of view that we took over the Virgin Islands? Away to the north is the remaining possession of the very fine Danish people, but it is American territory. Air lines cross Greenland. Lindbergh crossed its great plateau twice and made a very careful examination of all its harbors and possibilities, and the Soviet fliers the other day flew over the same region on their Moscow-New York flight. I asked them, through an interpreter, what the plan would have been if their ship had been compelled to come down in that region. The reply was that they could have landed about 40 miles north of Cape Farewell, on Greenland. Of course, planes that are amphibian, that can be used on land or sea, can use some of the harbors which are navigable the year around. Some of the valleys appear very green from the air. Perhaps that is why the country was named Greenland. The great ice cap does not cover all land and harbors, as many suppose.

FROM POLE TO PANAMA

All that is in the Far North. Coming down through Bermuda and through the Bahama Islands, and all the rest of the West Indies, we come to the coast of South America. Here we propose that negotiations be entered into with the Dutch Government, a great people with a great and rich history—a fine nation from which we can by negotiation purchase these great possessions. They are of a right American and must remain American. Our State Department can thus accomplish something a little more useful than the world-saving business in which we are always engaging. Let us save some of these outlying possessions for our country while there is yet time to do so.

MILITARY NECESSITY

We hear a great deal said on the floor of the Senate about the possibility that some foreign power may come and take possession of some of these islands. Very well; let us acquire them now by negotiation and purchase, and then they will be ours—these Dutch and the Danish possessions. Here our fleets can come to anchor; here our merchants can trade; and here great air armadas will drop down from the tropic skies; and I cannot often enough reiterate the great resources of these islands. I myself traveled in the independent countries of Haiti and the Dominican Republic, and in our own Puerto Rico; and I can testify, so far as I have investigated, to the great resources and the great possibilities of these regions.

WHERE THERE IS NO VISION THE PEOPLE PERISH

I hope that in the not distant future, through negotiations with our State Department and as a result of proper legislative action, we shall take over these islands, and that they may become a part of the great American Union, to the great advantage of the American people. I hear so much internationalism; it is so often said that we must do this and we must do that for others. I want to do something for America, for the American people, for the American Navy, and our fleets of the air, and its many ports in outlying possessions. I want to raise up ramparts on our own coasts, defenses unassailable, unconquerable so far as any foreign foe is concerned should they be so mad as to assail us here on our own ground, which I very much doubt; but, if such a thing should happen, we can rest our defenses and ramparts here in these possessions through negotiation and purchase, to the great advantage of our great American people.

I thank the Senate.

AMENDMENT OF NATIONAL HOUSING ACT OF 1937

The Senate resumed the consideration of the bill (S. 591) to amend the United States Housing Act of 1937, and for other purposes.

Mr. NORRIS. Mr. President, I am very much in sympathy with the object intended to be accomplished by this bill. I am going to vote for the bill. I believe great good may come from its passage. I have listened, however, to some criticisms which I thought were offered in the best of feeling, which were constructive in their nature, and I think were enlightening to the Senate and to the country.

As I said the other day, in the busy lives that Senators have to lead they cannot always give to a great deal of pending legislation the attention they would like to give. Our civilization has become so complex, our laws have become so intricate, our influence as a Nation has extended so widely, there are so many questions of a local domestic nature which call upon us for consideration, the awful depression which has encompassed the world has taken such heavy toll here as it has elsewhere, that often, no matter how much we may desire to give attention to the details of legislation, we cannot do so.

I have listened to much of the discussion on this bill, and I think it has been very enlightening. It has occurred to me, however, that I should like to make some suggestions regarding the measure. They come from one who does not claim to be an expert on the subject, one who believes it is necessary for him in the performance of his duty as best he can to listen to and follow the views of others who have made a greater study of this, as I consider it, difficult but

interesting matter. It promises, I think, great results in the unemployment predicament in which we find ourselves. It will bring results, as I see it, to a class of persons in whom I feel particularly interested. Yet it seems to me, although it may be embarrassing to say so without knowing more than I do about the subject, that improvements along some lines might be made in the bill.

I desire to offer briefly some suggestions for the consideration of Senators and of those who will be required to carry out the provisions of any law we may enact on this subject. I do not know that they will be useful; I do not know that they will be followed; but at least it may be said in their favor that they will not cost anything.

It has always seemed to me that one of the difficulties which must be met in such a program as this bill attempts to carry out is that when we consider the vast number of persons we desire to benefit, and the requirements of modern life and modern homes, it is an impossibility to do as much as we should like to do in a way which will bring the most benefit to those who most need it.

All of us would like to see those who receive the lower wages for their labor live in their own homes. The ideal condition of the farmers and the industrial workers of the United States would be to have every farmer own the soil he tills, and to have every industrial worker own the home in which he lives. There is something about owning a home which cannot be explained, but which puts in the breast of every man and every woman who is trying to build up a home a pride, a satisfaction, a happiness in making the home more comfortable, more livable, and more enjoyable.

The trouble with the homes which have been built, or those which will be built under the present program, if I might call it such, is that they probably cost too much money. Yet I do not know how it is possible to build a completed modern home for less. The idea is to build a home for as little money as possible. It has struck me that if it is possible we ought to extend assistance to the laboring men and the poorer classes who do not now own homes but desire to own them.

I have before me an article on this subject which appeared in the Washington Post on May 12, written by Dorothy Thompson. She outlines in the article how an individual, moved by an idea to make money safely and modestly, has undertaken to build a number of homes for poorer people. It is a subject about which I have thought a great deal, and I was very much interested in this article. The theory is that, instead of erecting complete homes, we could, if we were careful as to the kind of people to whom we sold them, build more houses for less money and spread the good of public funds in building homes over a greater territory, and satisfy a much larger number of people. The theory is not to complete a house, but to build a home with ground enough adjacent to it to make possible the cultivation of a garden, the planting of trees, the raising of a few vegetables, and the planting of flowers, so as to bring comfort and beauty to the home. The idea is to erect an unfinished home, with the foundation parts of it so established and so built that the owners can continue to improve the property and eventually get a complete, modern home. The proper procedure would be to build a home completely modern in every respect; but if we did that, the cost would be prohibitive for workingmen. Miss Thompson describes in this article the building of such homes, which, of course, would not all be the same. I am merely offering these suggestions for those who have to administer the housing law. In some places the kind of home suggested would be unsuitable perhaps. The idea would be to build a home with a furnace in it, the home to be unpainted, and not decorated inside. It would be wired for electricity all through but with no electric fixtures installed. Sometimes perhaps the bathroom would be left out but there would be a place for it. Inside toilet would be omitted but a place would be provided for its installation. The various steps of modernization—electrification, for instance—could be taken from time to time by the man who bought the home, and by the wife by his side, they working

together, building up what would eventually be a modern, complete home.

Such men and women get happiness out of their work when they are building a home. The workman labors 8 hours a day, we will say, and has much leisure time, and, with the assistance of his wife, and perhaps of his children, if he has any, he does a vast number of things which are necessary to make a home complete. But they probably have not the financial ability to pay for everything at the time the house is built. They may build a sidewalk; they may paint the house; they may do a thousand and one things which will beautify and make the home more comfortable. They plant flowers; they plant trees; they plant shrubbery. If possible, there is a small garden. Eventually they get a home. They would be frightened if they knew at the start what the undertaking would cost. In many cases the cost would be prohibitive.

Mr. President, I admit that at the outset care must be taken as to the man who buys the home, and who must go in debt for nearly the whole cost. It seems to me the Government could finance such undertakings better than any individual could. A private individual ordinarily charges 6-percent interest, a burden that is entirely unnecessary to be imposed if the home is to be built by the Government with no idea of making a profit.

It would have to be remembered that when the home was sold it would be sold to a man who wanted a home, who was unable to pay for it in cash, who was unable to pay \$6,000, we will say, for a home. Probably sixteen hundred would be all he could pay.

Such a purchaser should have a long time within which to pay for the home, and he should have a low rate of interest to pay. Then, too, if he lost his job, the interest ought to stop. If he should lose his job through no fault of his own, and could not get another, the holder of the mortgage ought to be lenient, should not exact interest or rent if the man had no income, and it was impossible for him to pay anything unless by the labor of his hands he earned some kind of an income. There would be some risk to take, but could not a great Government afford to take it better than a private individual, for whom the private motive enters into the consideration?

Sometimes the scheme would fail, but in the vast number of cases I think it would be a success. The laboring men of the United States want homes; they want places they can call their own; they want to help make those homes; they want to build them up. The wives want to plant flowers and to make the homes beautiful and comfortable. When the children come, the parents want a proper place in which to nurse them and care for them, and eventually they get a completed home.

Mr. President, I ask that the article by Dorothy Thompson to which I have referred be printed at this point in my remarks.

THE PRESIDING OFFICER. Is there objection?

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ON THE RECORD
(By Dorothy Thompson)
A SOCIAL INVENTOR

Sometime ago Mr. Frank Hoess, who, together with three brothers, runs a machine-tool industry in Hammond, Ind., became interested in housing. Having a little money of his own, he proceeded to do something about it.

What Mr. Hoess has done is interesting, but the process of his thought, which led him to do just what he has done, is even more interesting. For Mr. Hoess began by considering a specific problem and he started his thinking process by contemplating not the ideal house but the actual client for whom the house was to be built.

Mr. Hoess wanted to build houses for workingmen. So he first of all took into account the economic, social, and psychological facts concerning workingmen. He totaled up on the ledger of his mind the assets and liabilities of workingmen as buyers of houses.

First of all, he argued, a workingman is a man with no savings and no assured income whatsoever. If he has savings, he is an exception. Workingmen do not save except to pay for something specific. The workingman is employed by the hour or the day or the week. He has no annual income. If he is employed full time—Mr. Hoess was considering workers in Gary and Hammond,

Ind.—he earns from \$25 to \$30 a week, on an average, but he may be at any moment employed on half time, or part time, or not at all.

Therefore, argued Mr. Hoess, no worker under present conditions—and Mr. Hoess was not arguing about the conditions, he was just thinking about housing to meet the conditions—therefore, no worker can justly be held to any rigidly fixed charges whatsoever, since he has no guaranteed income for even a year ahead.

What assets has the worker got? Mr. Hoess argued in his mind. Let's not worry whether they are the kind of assets usually entered on ledgers:

Well, he has time. He has more time than any worker has ever had in history. If he is fully employed he works—in that region—a 40-hour week. That means that he has leisure. Leisure-time activity, he ruminates, consists in doing something you want to do which you aren't compelled to do.

What else has the worker got? Usually, skillful hands. He is a man accustomed to using his hands, and is clever with them. What else has he? Transportation. Either he has some kind of a car, or his neighbors and friends have, or there is a bus line nearby, or other means of collective transportation. He doesn't need to live shoved up against the factory.

What does he want? Hoess asked himself.

He does not want to be in debt, burdened with a greater debt than he can see the end of. He doesn't want to mortgage his life for 30 or 40 years. He does want a decent home for his children in a decent community. He wants to own property. (Mr. Hoess is convinced that the passion to own property is a basic human passion.) He wants that property to bring him in something as well as cost him something. He doesn't want to get something for nothing, and he has no respect for or trust in anybody who offers him something for nothing. He wants security.

Mr. Hoess now proceeded to meet the demands of a market of workmen inside the actual conditions of their lives. Halfway between Gary and Hammond he began putting up houses on farm land which was along a main highroad with a bus line. The property is 15 miles from either industrial center, so he didn't have to pay for existing social increment. He laid out the land in plots—and each plot is 1 acre large.

Mr. Hoess argues that if a man has an acre of land he can get something from it. He can grow vegetables, small fruits, chickens or rabbits. Mr. Hoess is of German origin, and he shares the German passion for land; he thinks that every normal human being wants to have a piece of land to call his own, and that its mere possession gives him a psychological feeling of security. Mr. Hoess did not landscape the acres. He planted one fruit tree on every one—just to grow on.

If a man is earning, in good times, \$25 to \$30 a week, all he can afford to pay for a house is from \$1,000 to \$2,500, Mr. Hoess decided. Anybody who sells him a house costing more is selling him a gold brick. Sooner or later he is going to default and lose his equity.

At this price you cannot afford to offer a very luxurious dwelling, but you can offer something better than the worker has ever had—and Mr. Hoess is a realist. So he built "basic houses." The \$1,600 house is firmly built of steel siding and roofing of wood—he is still experimenting to see which is better—it contains a kitchen, a living room, two bedrooms, a small room for a bath, but without the fixtures; a chemical toilet and an unfinished attic in which other rooms can be built.

It is not painted nor is the interior decorated.

It has a small furnace and is wired for electricity, but has no fixtures.

Mr. Hoess reckons that the owner of the house can do these things himself—the painting, the installation of fixtures, and that, given the place to put it and water in the house, he will even, when he wants it enough, get himself a bathroom.

And it turns out that he is right. The houses are all painted, and painted with exceptional attractiveness, each man to his taste, with some regard for the whole effect.

Papa buys some electric fixtures somewhere—maybe out of an old house or maybe from a mail-order house, and likes them that much better. He finishes up the rooms in his spare time, with the aid of his wife. Most of the houses have window boxes. He actually likes his house better because it represents some of his own labor.

When it comes to paying for the house, Mr. Hoess is highly unorthodox. He charges 6 percent interest on the investment, but a real 6 percent, not a gyp 6 percent.

It is adjusted month by month, with every payment on amortization.

Mr. Hoess would like his customers to be able to put down a couple of hundred dollars as a first payment, but he has sold plenty of houses to men who didn't have a cent for a first payment.

He reckons that the buyer would normally spend about a quarter of his income for rent, so he figures interest, taxes, and amortization on this basis.

But Mr. Hoess doesn't believe that a man can be paying for a house if he hasn't any income or that he can pay as much if he is working half time as if he is working full.

So if the buyer's wages are reduced, Mr. Hoess automatically reduces the charges on the house in exact proportion. And if he has no income at all, Mr. Hoess suspends all payments on the house.

Crazy? Not at all, argues Mr. Hoess. Good business. Turn-over is death in the real-estate business. People who know the house belongs to them no matter what happens take excellent care of it. "My money might as well be sitting in those houses as in a bank," says this queer capitalist. (I have known him even to suspend all payments until a man paid for his wife's confinement. "A worker can't pay for a baby and pay for his house at the same time. If he has a baby, he'll care more about the house.")

If you want to make Mr. Hoess mad, call him a philanthropist. He insists that he built these houses to make money, that he is making a good 6 percent on his investment, and that that is his sole interest in the whole venture.

He says he wants to keep his customers; that if men know that they have a home in which is invested not only part of their income, but part of their labor, if they have gardens from which they can get part of their food, they will hold on, not become discouraged at the first lay-off, and the houses will get paid for in the end.

When the houses are paid for or the debt reduced to a certain point, Mr. Hoess will enlarge and improve the house if the owner wants it. He will build him a garage, if the owner hasn't already built it himself, or add a wing, or put in a bathroom. But at no time must the debt be above the original limit.

One owner's wife had a pantry full of canned corn, string beans, and peas. She said she'd figured that they'd never paid anything so far on the house at all, because whatever they'd paid had been compensated by what they'd grown.

This eccentric real-estate man says that the difficulty with a scheme like this is not with organized labor. It's with the real-estate interests. Most real-estate men, he says, don't care a hoot whether the customer can ever pay for the house he buys or not. The seller is interested only in his commission. The builder has never designed for a specific market governed by specific conditions.

Most Government-built houses, he says, can never be paid for by people in the low-income brackets. Either the Government is presenting them with a gift or the Government is going to have to evict them one of these days.

Mr. Hoess is a social inventor. This country is full of ingenious people of this type. Only it is rarely that one stumbles across them. There is nothing grandiose about this project. Mr. Hoess has only built thirty-odd houses to date. But unless there is a trick in it somewhere, he has done some very interesting, realistic and humane thinking.

Mr. NORRIS. Mr. President, I wish to quote briefly from the article. Miss Thompson, speaking of the cost, says:

At this price you cannot afford to offer a very luxurious dwelling, but you can offer something better than the worker has ever had—and Mr. Hoess—

Who is the man who is trying the experiment, if it be an experiment—

is a realist. So he built "basic houses." The \$1,600 house is firmly built. * * * It contains a kitchen, a living room, a small room for a bath, but without the fixtures; a chemical toilet, and an unfinished attic in which other rooms can be built. It is not painted, nor is the interior decorated.

She says in another place, "Is this man crazy?" He is proceeding on the theory that if the home buyers lose their jobs the interest ceases. He is going to let them stay in the houses. The Government could better afford to do that than could a private individual, who might be pushed by financial interests to crowd the buyers, or to foreclose on them. But if the purchaser was doing right, if the only difficulty was that he had temporarily lost his job, or if sickness had made it compulsory that he use all his money to take care of his wife, or his children, or himself, the Government would waive payments as his ability to pay ceased.

What kind of man would the Government get in that kind of homes? What kind of women and children would go into them? They would be men and women who wanted to own a roof over their heads, who would want to have a place which they could call their own.

Would we be afraid of that kind of a risk? Every time they painted the house, and decorated it inside, and put in an electric light fixture, and added something in the way of a bathroom, the security would be better than it previously was.

Mr. President, I think it would be a good investment if we figured it all through to the end before we started, and decided that if anything unfortunate happened to one of these buyers or his wife or children who were trying to build a home, the charges and the interest should cease. They would have a long time in which to pay for the home, with the privilege of paying off sooner, if possible. The men and

women who wanted homes would try to pay their debts just as soon as they could.

Crazy? Not at all, argues Mr. Hoess. Good business. Turn-over is death in the real-estate business. People who know the house belongs to them no matter what happens take excellent care of it. "My money might as well be sitting in those houses as in a bank," says this queer capitalist. (I have known him even to suspend all payments until a man paid for his wife's confinement. "A worker can't pay for a baby and pay for his house at the same time. If he has a baby, he'll care more about the house.")

How true, Mr. President! As that man's family ties increase, as children come to bless his very humble home, he will love his home better than he ever did before. I think with the man mentioned in the article that it is good business to save our people, make respectable citizens of them, and let them grow up with the knowledge that they own their own homes.

Mr. ELLENDER. Mr. President, I ask unanimous consent for the immediate consideration of a minor amendment to the bill. If the language of the bill remains as it is written, there would be two sections 10. Therefore I send to the desk an amendment, which I ask to have stated.

The PRESIDING OFFICER. The amendment will be stated.

The CHIEF CLERK. On page 3, line 23, it is proposed to strike out "Sec. 10" and to insert in lieu thereof "(10)."

The PRESIDING OFFICER. Is there objection to the consideration of the amendment? The Chair hears none.

Without objection, the amendment is agreed to.

The question now recurs on the amendments offered by the Senator from Ohio [Mr. TAFT].

ORDER FOR RECESS UNTIL 1 O'CLOCK P. M. TOMORROW

Mr. BARKLEY. I ask unanimous consent that when the Senate concludes its deliberations today it stand in recess until 1 o'clock p. m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF NATIONAL HOUSING ACT OF 1937

The Senate resumed the consideration of the bill (S. 591) to amend the United States Housing Act of 1937, and for other purposes.

Mr. BARKLEY. I now ask unanimous consent that not later than 3 o'clock p. m. tomorrow the Senate shall proceed to vote on the pending bill and all amendments thereto, and I ask unanimous consent to waive the requirement of the rule for a roll call at this time.

The PRESIDING OFFICER. Is there objection to waiving the requirement of the rule providing for a roll call prior to entering into a unanimous-consent agreement? The Chair hears none. Is there objection to the unanimous-consent agreement proposed by the Senator from Kentucky? The Chair hears none, and the agreement is entered into.

Mr. REYNOLDS. Mr. President, I have listened with unusual interest to every word about domestic matters that has just been spoken by our distinguished colleague from Nebraska [Mr. NORRIS], the Senate's most useful Member. As the result of having read an article from the pen of Miss Dorothy Thompson, he has indeed approached a serious problem with which we in America are confronted, a problem which is unusually interesting from many standpoints. He has approached a problem which interests itself fundamentally with Americanism, about which we hear so little during these trying times.

Mr. President, I wish to say that the senior Senator from Nebraska hit the nail squarely on the head when during the course of his argument he made mention of the fact that we should take such action and enact such laws as will cause the American public to be contented. One thing which has really made America the greatest nation upon the face of the earth is its love for security in the form of home ownership. Home ownership was the initial desire of those who first set foot upon the fertile soil of America. Our forefathers came here seeking not only freedom of thought and freedom of action, but having in mind home ownership, the development of a place which they might properly and legally declare to be their own.

I recall having read some years ago an address made by North Carolina's greatest man, the Honorable Zebulon B. Vance, who was our war governor, and who later served in this body, in which he stated that no man would shoulder a gun for the purpose of defending a boarding house. By that he meant exactly what the Senator from Nebraska stated today, when he encouraged home ownership within the confines of the United States of America. I may add that the finest security upon the face of the earth is home ownership. I believe with the Senator from Nebraska that nothing can provide more interest or more contentment or more security than ownership of a home.

Unfortunately, in a sense, a number of years ago, millions of our people who had resided in the countryside left their old homes and went to the cities, where great industrial activities were taking place. Particularly in my section of the country, the South. They left their country homes and went to the cities because there they could find opportunity for work for their children in such places as the textile plants. As a result of this great industrial development in America, as we have found in other sections of the world, the people have left contentment, and the farm, and the great open spaces to concentrate themselves in the metropolitan centers.

I infer from what the Senator from Nebraska has said that he is encouraging a back-to-the-land and a back-to-the-home movement, a movement away from what has been going on for a number of years past. I was delighted when I learned the contents of the article from the pen of Miss Dorothy Thompson, which he read in part to the Members of this body. I think it a wonderful idea to encourage particularly the young to seek homes for themselves, because after all there is nothing which provides such comfort and security as does the ownership of a home.

As was stated a moment ago, if one wishes to provide himself with comforts, with happiness, and with security, it is not at all necessary that he provide himself with a mansion or a palatial dwelling or a house of any considerable proportions. One does not have to have a mansion, one does not have to be possessed of a palace, one does not have to be possessed of a palatial residence to find happiness and contentment. One can find that, Mr. President, only in one's self.

The trouble about the people of this country is that everyone is trying to outdo everyone else. The happiness the American people are seeking is a false, a varnished, an artificial happiness. John Jones is trying to outdo his neighbor Bill Brown, who lives across the street. In other words, we are hypocritical; we are pretentious; and we are all for show. Instead of trying to outshine our neighbors we should be concentrating ourselves upon seeking happiness and contentment within the home and not without the home.

According to the American idea of outdoing the neighbors, if John Jones has a baby grand piano, he will put his piano out in the front yard so that he can show his neighbor that he has more than his neighbor has. If John Jones has a good garage, but purchases a Cadillac, a Rolls Royce, or a master Buick when he has been accustomed to a Ford, John will leave his master Buick, his Cadillac, or his Rolls Royce standing in the street in front of the house instead of putting it in the garage, so that he can show his neighbor Bill Brown across the street that he has a better car than Bill Brown has.

Mr. President, the trouble with the people of America today—and it applies more to America than to any other country in the world—is that we are trying to show off. We want to outshine our neighbors. What we should be doing is seeking contentment, security, and happiness in the proper way.

It does not cost much to own a house. That statement applies not only in North Carolina but in every State of the Union. It applies to the vast territory within a radius of 50 miles of the Capital of our country. One can go into the State of Maryland and purchase fairly good land for \$15 an acre. One can leave the Senate Office Building and within 30 minutes find himself at a lovely spot on land which can be bought for \$15 an acre.

Let us see how cheap and how easy it would be for some of our young married Government clerks to acquire a home if they really wanted a home with flowers, babbling brooks, musical streams, the chirping of birds, a profusion of vegetation, and the blueness of the sky. Those are the things that bring happiness. They are the things that count. Happiness is not expensive. Happiness is the cheapest thing on the face of the earth for the person who is actually seeking happiness, and who is honest with himself.

Let us see. There are thousands upon thousands of young married couples in the Government service. They are paying anywhere from \$45 to \$125 a month for a little compact apartment. It is true they are right in Washington where everything is going on. It is true that they have electric lights. They have fine thoroughfares, motion pictures, theaters, and cocktail lounges, and they can go to dances every night. They think they are having a wonderful time. However, as suggested by the Senator from Nebraska, they would be much happier if they were possessed of something real.

A home is the greatest thing upon the face of the earth. Does it cost much? Not at all. Let us see. One can go into Maryland or over yonder in Virginia, not more than 20 miles from Washington, or certainly not more than 40 miles from here, and buy all the land he wishes at anywhere from \$9 to \$20 an acre. Many portions of that land have lovely little streams and brooks flowing through them. One can go out there and commune with nature.

Mr. SCHWELLENBACH. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. SCHWELLENBACH. I am very appreciative of the lecture the Senator is giving—

Mr. REYNOLDS. It is not a lecture at all, if I may interrupt the Senator from Washington. I have listened to a very inspirational address by our distinguished colleague the senior Senator from Nebraska, and I was merely enlarging upon what he had to say in reference to encouraging the American people to become home owners.

Mr. SCHWELLENBACH. I was about to suggest to the Senator that if he is really anxious to provide a way to bring happiness to the people in Washington who, because of the fact that they are in this crowded city, may not have the happiness to which they think they are entitled, he should suggest that they move to the Little Gem City of the Mountains in North Carolina.

Mr. REYNOLDS. I appreciate that remark immensely, Mr. President.

Mr. SCHWELLENBACH. That would be the acme of happiness.

Mr. REYNOLDS. I appreciate the suggestion of my good friend. He comes from the gateway to the Northwest and to the great Alaskan Territory. He very ably represents the city of Seattle, which unquestionably is a city of beauty and a city of flowers. I know that statement to be true, because I have visited that city a number of times. Every time I visit the city of Seattle I like it better. I have noted the improvement that my good friend has brought to his city, and I shall return again in the fall. For my friend and colleague in the Senate to recommend to all who live in Washington that they visit Asheville, N. C., the Little Gem City of the mountains, which daily kisses the blue heavens, is a compliment to North Carolina, the greatest State in the Union. I thank my friend.

Mr. President, 30 minutes' travel will carry one to Virginia or Maryland, where he can purchase 10 acres of land for \$150. He can buy a piece of ground which has a little brook flowing through it, and which is profuse with vegetation. He does not have to have half a dozen rooms to begin with. Millions of persons in this country are occupying two-room apartments. Two rooms in the country can be just as large as two rooms in the city. I might add that some of the most attractive places I have ever seen in my life are small places all on one floor.

I see my colleague from Tennessee [Mr. McKellar] in the Chamber. The eastern section of his State, which is a beautiful section, at one time was a part of North Carolina.

In that section of the country one can find some of the most attractive little places he could ever wish to feast his eyes upon.

Mr. McKELLAR. Mr. President, will the Senator yield?

Mr. REYNOLDS. I yield.

Mr. McKELLAR. Let me say that that section of the State of Tennessee is even an improvement upon North Carolina.

Mr. REYNOLDS. I cannot say that it is an improvement upon North Carolina; but I will say that the people of that section have made great progress, because they have had the inspiration of North Carolina as an example for their direction and progress.

Mr. President, 10 acres of land at \$15 an acre would cost \$150. One can buy from some of the companies in the Northwest houses in the form of bungalows which are already patterned, the timbers of which are already cut, for about \$450, which includes the price of erection by carpenters at their daily wage in the respective sections of the country. Four hundred and fifty dollars added to \$150 makes \$600; and we will add \$400 for fencing, furnishings, such painting as may be desired, the purchase of a couple of little pigs—cute little things [laughter]—and the purchase of a good milk cow which will give milk and cream from which butter and buttermilk can be made. The intensive cultivation of 1 acre of land would produce enough during the spring and summer to provide the family with fresh and wholesome vegetables. If the housewife is sufficiently industrious she can can sufficient food, as Senators who have lived on farms know, to feed a family of five during the greater portion of the winter.

So I say, Mr. President, that what we need in this country is decentralization. Years ago we interested ourselves in flocking to the cities to find employment with the great industrial enterprises, as we did in North Carolina when the textile industry moved from Massachusetts to North Carolina. We can decentralize the cities, where there are millions upon millions of unfortunate people for whom we endeavor to supply comforts today by our housing program.

Mr. President, I again thank my good friend from Washington [Mr. SCHWELLENBACH] for his contribution to my remarks. I assure him that our Department of Development and Conservation in North Carolina will be indebted to him for providing me the opportunity once again to advertise to the world that North Carolina is the greatest, most historic, and most progressive State in the Union, and that western North Carolina, where I live, is the most beautiful spot that has ever been kissed by God's warm, mellow, golden sunshine.

EXECUTIVE SESSION

Mr. BARKLEY. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE MESSAGES REFERRED

The PRESIDING OFFICER (Mr. LA FOLLETTE in the chair) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF COMMITTEES

Mr. SHEPPARD, from the Committee on Military Affairs, reported favorably the nomination of Col. Thomas Matthews Robins, Corps of Engineers, to be Assistant to the Chief of Engineers, with the rank of brigadier general, for a period of 4 years from date of acceptance, vice Brig. Gen. Max C. Tyler, Assistant to the Chief of Engineers, to be relieved and appointed president of the Mississippi River Commission.

He also, from the same committee, reported favorably the nominations of several officers, for appointment, by transfer, in the Regular Army.

Mr. McKELLAR, from the Committee on Post Offices and Post Roads, reported favorably the nominations of sundry postmasters.

He also, from the Committee on Appropriations, reported favorably the nomination of Harry A. Wortham, of Kentucky, to be regional director, region 3, Federal Emergency Administration of Public Works.

The PRESIDING OFFICER. The reports will be placed on the Executive Calendar.

If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

DEPARTMENT OF COMMERCE

The legislative clerk read the nomination of Edward J. Noble to be Under Secretary of Commerce.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

Mr. BARKLEY. I ask unanimous consent that the President be notified of the confirmation of the nomination of Mr. Noble.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNITED STATES MARITIME COMMISSION

The legislative clerk read the nomination of Max O'Rell Truitt to be a member of the United States Maritime Commission.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

COAST GUARD OF THE UNITED STATES

The LEGISLATIVE CLERK read the nomination of Leon Claude Covell to be Assistant Commandant of the Coast Guard of the United States.

The PRESIDING OFFICER. Without objection, the nomination is confirmed.

POSTMASTERS

The LEGISLATIVE CLERK proceeded to read sundry nominations of postmasters.

Mr. McKELLAR. I ask unanimous consent that the nominations of postmasters be confirmed en bloc.

The PRESIDING OFFICER. Without objection, it is so ordered.

That completes the Calendar.

NOTIFICATION TO THE PRESIDENT OF CONFIRMATIONS

Mr. SHEPPARD. I ask unanimous consent that the President be notified of the confirmation of the Army nominations which were confirmed at the last executive session of the Senate, held on June 5.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS

Mr. BARKLEY. Mr. President, under the order previously entered, I move that the Senate recess.

The PRESIDING OFFICER. The question is on the motion of the Senator from Kentucky.

The motion was agreed to; and (at 5 o'clock and 3 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until tomorrow, Thursday, June 8, 1939, at 1 o'clock p. m.

NOMINATIONS

Executive nominations received by the Senate June 7 (legislative day of June 5), 1939

LIBRARIAN OF CONGRESS

Archibald MacLeish, of Connecticut, to be Librarian of Congress.

ASSISTANT TO THE COMMISSIONER OF INTERNAL REVENUE

John L. Sullivan, of Manchester, N. H., to be Assistant to the Commissioner of Internal Revenue, in place of Milton E. Carter, resigned.

APPOINTMENT IN THE NAVY

Rear Admiral Chester W. Nimitz to be Chief of the Bureau of Navigation, in the Department of the Navy, with the rank of rear admiral, from the 15th day of June 1939, for a term of 4 years.

CONFIRMATIONS

*Executive nominations confirmed by the Senate June 7
(legislative day of June 5), 1939*

UNDER SECRETARY OF COMMERCE

Edward J. Noble to be the Under Secretary of Commerce.

UNITED STATES MARITIME COMMISSIONER

Max O'Rell Truitt to be a member of the United States Maritime Commission.

COAST GUARD OF THE UNITED STATES

Leon Claude Covell to be the Assistant Commandant in the Coast Guard of the United States.

POSTMASTERS

ARIZONA

Woodie A. Gatlin, Patagonia.
William D. Boardman, Payson.
Sparlin B. Boner, Seligman.
Joseph M. Balsz, Yuma.

GEORGIA

Leonidas F. Livingston, Atlanta.
Brandon H. Rampley, Carnesville.
Pierce E. Cody, Collins.
Norma W. Hawes, Elberton.
Jessie T. Freeman, Greenville.
Lorena B. Tucker, Ocilla.
Clyde S. Young, Rebecca.
Gertie B. Gibbs, Ty Ty.
Tilden A. Adkins, Vienna.

IOWA

Thomas B. O'Donnell, Anthon.
Henry S. King, Ashton.
Walter G. Lane, Baxter.
Zoe P. Way, Bussey.
Frank B. Baldwin, Cedar Rapids.
Lester A. Falcon, Central City.
Anna M. Stephenson, Deep River.
Myrtle E. Smith, Edgewood.
Gordon J. Mosby, Elgin.
Harry L. Conway, Elma.
Sadie J. Callahan, Epworth.
Julius J. Chekal, Fort Atkinson.
Harry R. Merchant, Garrison.
Eva L. Ochs, Garwin.
Harry W. Kelly, Grandmound.
Howard Colon, Hamburg.
John Moeller, Ireton.
Thomas H. Thompson, Kanawha.
George A. Norelius, Kiron.
Daniel P. O'Connor, Lawler.
John E. McHugh, Lisbon.
James B. Gilroy, Lost Nation.
Frank G. Huebsch, McGregor.
Mattie M. Bridges, Merville.
James B. Bellamy, Nashua.
Ray O. Bass, Ogden.
James G. Casey, Osage.
Simon H. Wareham, Peterson.
Frank M. Halbach, Primghar.
Ruth M. Emmett, Reinbeck.
Charles E. Horning, Richland.
Andrew L. Anderson, Ringsted.
Nellie F. Hyde, Rowan.
Charles E. Miller, St. Ansgar.
Peter C. Hollander, Schleswig.
Leroy S. Gambs, Smithland.
John Ray Dickinson, Soldier.
Jonathan F. White, South English.
Vane E. Herbert, Storm Lake.
Ida E. Larson, Swea City.
Glen P. Weatherhead, Tabor.
Richard P. Tank, Walcott.
Jack G. Chapman, Washta.

Myrtle Ruth Lash, What Cheer.
William Hoker, Wheatland.
Ernest Reitz, Wyoming.

KANSAS

Philip W. Heath, Abilene.
Etta Le Ford, Argonia.
Albert H. Gillis, Kansas City.
Walter R. Dysart, Parker.
Nell M. Bowles, Walnut.

MAINE

Ivy L. Babbidge, Darkharbor.
Adelard J. Dumais, Livermore Falls.
William E. Baker, Lubec.
Alfred Boivin, Mexico.
Bernard A. Davis, Norridgewock.
Carl C. Virgin, Ridlonville.
Ernest A. Atwood, Seal Harbor.
George G. Plumptre, South Eliot.
Harry S. Stone, West Paris.

MASSACHUSETTS

Mary E. Brady, Agawam.
Frederick J. Wangler, Beverly Farms.
William E. Hallahan, Charlemont.
Charles L. Jepson, Cheshire.
Charles J. Dacey, Conway.
Merritt C. Skilton, East Northfield.
Ella M. Harrington, Jefferson.
Agnes M. Butler, Millville.
Douglas H. Knowlton, South Hamilton.
Thomas J. Ashe, Springfield.

MICHIGAN

John H. Robson, Jr., Ovid.

MISSISSIPPI

Thomas A. Chapman, Friar Point.
Martha B. Gray, Robinsonville.
Edgar L. Dear, Sledge.
James C. Lamkin, Yazoo City.

NORTH DAKOTA

Eugene H. Mattingly, Jamestown.
Oral L. Noble, Jud.
Nellie Dougherty, Minot.

WISCONSIN

Raymond J. Dufek, Denmark.
Anna Loftus, De Soto.
Harry F. Kelley, Manitowoc.
Martin J. Bachhuber, Mayville.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JUNE 7, 1939

The House met at 12 o'clock noon.

Dr. J. L. Fendrich, Jr., pastor of the Metropolitan Presbyterian Church, Washington, D. C., offered the following prayer:

Father of All Mercies, God of All Wisdom, we invoke Thy divine blessing upon this assembly of men, and pray Thee this day as we come again to the tasks to which we are called that each one of us may realize that in the exercise and discharge of high duties we do that for which man is best suited. Shed abroad in our hearts Thy love. Overrule our errors by Thy wisdom. Guide the destiny of the Nation and, if it be Thy will, keep us in paths of peace. Give us hearts of gratitude that we may study to learn Thy law and Thy statercraft. Through Jesus Christ, in whose name we pray. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Frazier, its legislative clerk, announced that the Senate had passed without amendment a joint resolution of the House of the following title:

H. J. Res. 286. Joint resolution to provide for the lending to the Virginia Military Institute of the equestrian portrait of Gen. Winfield Scott now stored in the Capitol.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Latta, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On June 5, 1939:

H. R. 913. An act to prohibit the unauthorized use of the name or insignia of the 4-H clubs, and for other purposes;

H. R. 2345. An act for the relief of R. H. Gray;

H. R. 5601. An act for the relief of John T. Clarkson; and
H. J. Res. 189. Joint resolution to define the status of the Under Secretary of Agriculture, and for other purposes.

On June 6, 1939:

H. R. 2044. An act for the relief of R. Dove and Laura J. Dove;

H. R. 3074. An act for the relief of Edgar Green;

H. R. 3300. An act for the relief of Grace Rouse;

H. R. 3646. An act to authorize certain officers and employees to administer oaths to expense accounts; and

H. R. 5756. An act to amend section 509 of the Merchant Marine Act, 1936, as amended.

MARKING OF PACKAGES CONTAINING WILD ANIMALS AND BIRDS AND PARTS THEREOF

Mr. KLEBERG. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. KLEBERG. Mr. Speaker, on Monday last during my absence the House considered and passed the bill (H. R. 4637) to amend section 243 of the Penal Code of the United States, as amended by the act of June 15, 1935 (49 Stat. 378), relating to the marking of packages containing wild animals and birds and parts thereof. An identical bill (S. 1031) passed the Senate on May 29. I asked for the immediate consideration of the Senate bill by the House Committee on Agriculture, my request was granted, and the committee reported the bill favorably. I now ask unanimous consent, Mr. Speaker, to take from the Speaker's table the bill S. 1031 for immediate consideration and passage, inasmuch as the House discussed and passed an identical bill on Monday last. I take this time merely to explain the situation and expedite the procedure.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That section 243 of the act of March 4, 1909, entitled "An act to codify, revise, and amend the penal laws of the United States," as amended by section 201 of the act of June 15, 1935 (49 Stat. 378), is hereby amended so as to read as follows:

"Sec. 243. All packages or containers in which wild animals or birds, or the dead bodies or parts thereof (except furs, hides, or skins of such animals, for which provision is hereinafter made), or the eggs of such birds are shipped, transported, carried, brought, or conveyed, by any means whatever from one State, Territory, or the District of Columbia to, into, or through another State, Territory, or the District of Columbia, or to a foreign country, shall be plainly and clearly marked, labeled, or tagged on the outside thereof with the names and addresses of the shipper and consignee and with an accurate statement showing by number and kind the contents thereof: *Provided,* That packages or containers in which migratory birds included in any convention to which the United States is a party, or the dead bodies or parts thereof or eggs of such birds, are shipped, transported, carried, brought, or conveyed, as aforesaid, shall be marked, labeled, or tagged as prescribed in any such convention or law or regulation thereunder.

"All packages or containers in which the furs, hides, or skins of wild animals are shipped, transported, carried, brought, or con-

veyed, by any means whatever, from one State, Territory, or the District of Columbia to, into, or through another State, Territory, or the District of Columbia, or to a foreign country shall be plainly and clearly marked, labeled, or tagged on the outside thereof with the names and addresses of the shipper and consignee."

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFEDERATE VETERANS' 1939 REUNION, TRINIDAD, COLO.

Mr. MARTIN of Colorado. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MARTIN of Colorado. Mr. Speaker, on Monday the House passed the bill (H. R. 3945) to authorize the use of War Department equipment for the Confederate Veterans' 1939 Reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939, which was on the Consent Calendar. I learned only this morning that the Senate, on April 20, passed an identical bill, S. 1243. I ask unanimous consent, Mr. Speaker, to take from the Speaker's table the bill S. 1243 for immediate consideration and passage.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Colorado?

There was no objection.

The Clerk read the Senate bill, as follows:

Be it enacted, etc., That the Secretary of War be, and he is hereby, authorized to lend, at his discretion, to the reunion committee of the United Confederate Veterans, for use at the National Confederate Veterans' reunion, to be held at Trinidad, Colo., August 22, 23, 24, and 25, 1939, 2 hospital ward tents, with all pegs, poles, and equipment necessary for their erection; 1 storage tent complete with all equipment; 1 large wall tent complete with all equipment; 6 small wall tents complete with all equipment; 10 pyramidal tents complete with all equipment; 50 14-quart G. I. buckets; 2,000 blankets, olive drab, wool; 1,000 cots, iron; 1,000 comforters; 1,000 cotton-felted pillows complete with cotton pillowcases; 2,000 cotton bedsheets: *Provided,* That no expense shall be caused the United States Government by the delivery and return of said property; the same to be delivered from the nearest quartermaster depot at such time prior to the holding of said reunion as may be agreed upon by the Secretary of War and the Confederate Reunion Committee: *Provided further,* That the Secretary of War, before delivery of such property, shall take from said reunion committee of the United Confederate Veterans a good and sufficient bond for the safe return of said property in good order and condition, and the whole without expense to the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CLASSIFIED EXECUTIVE CIVIL SERVICE

Mr. LEWIS of Colorado, from the Committee on Rules, submitted the following privileged resolution, which was referred to the House Calendar and ordered printed:

House Resolution 217

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 960, a bill extending the classified executive civil service of the United States. That after general debate, which shall be confined to the bill and shall continue not to exceed 2 hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on the Civil Service, the bill shall be read for amendment under the 5-minute rule. At the conclusion of the reading of the bill for amendment the Committee shall rise and report the same to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit, with or without instructions.

EXTENSION OF REMARKS

Mr. SWEENEY asked and was given permission to extend his own remarks in the RECORD.

Mr. LUDLOW. Mr. Speaker, I ask unanimous consent to insert in the RECORD during the debate in Committee of the Whole on the Social Security Act certain material, including the summation of findings by the Interorganization Council of Indiana, a very brief excerpt, and a letter from William H.

Book, the vice chairman of the Chamber of Commerce of the City of Indianapolis.

The SPEAKER. Is there objection to the request of the gentleman from Indiana [Mr. LUDLOW]?

There was no objection.

PRESENTATION OF MONUMENT TO THE PEOPLE OF GREECE

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent for the immediate consideration of the House joint resolution (H. J. Res. 294) providing for the presentation by the President of the United States of a certain monument to the people of Greece.

The Clerk read the title of the joint resolution.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. O'NEAL]?

Mr. MARTIN of Massachusetts. Mr. Speaker, reserving the right to object, as I understand, this is a gift of Americans of Greek descent to the people of their native country?

Mr. O'NEAL. The Order of Sons of Pericles, which is the Junior Order of Ahepa, a very patriotic Greek society, has raised money for a memorial to be placed in Missolonghi, Greece, commemorating the participation of Americans in the war for freedom of Greece in 1821. No money is involved in this resolution whatever. I believe the State Department is very agreeable to the passage of this joint resolution.

Mr. FISH. Reserving the right to object, Mr. Speaker, is it not a fact that there has been a very close relationship between the American people and the Greek people, and that this is simply an effort to cement that friendship of long standing between two free people?

Mr. O'NEAL. That is true. Even the President of the United States went so far in 1821 as to express the great friendship and regard America had for Greece.

Mr. FISH. I call the attention of the gentleman to the fact that the House of Representatives did a very unusual thing a few years ago in passing a simple resolution congratulating the Greek people on the one hundredth anniversary of their independence.

Mr. O'NEAL. This feeling has always existed.

Mr. Speaker, I shall be pleased to make a further explanation of this resolution if anyone so desires.

Mr. MARTIN of Massachusetts. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

The Clerk read the joint resolution, as follows:

Resolved, etc., That the President is authorized and directed on behalf of the Order of the Sons of Pericles (the Junior Order of Ahepa), a national fraternity of youthful American citizens of Hellenic descent, and on behalf of the people of the United States, to present to the people of Greece, or provide through the American Minister to Greece for the presentation to the people of Greece of, the monument recently erected by the said Order of the Sons of Pericles in the Garden of Heroes at Missolonghi, Greece, the shrine of Greek independence, as a tribute to and in commemoration of those patriotic Americans who, aided by the moral and material support and assistance of the entire American people, gave their services, their fortunes, and their lives to the cause of Greek independence in the Greek Revolutionary War of 1821.

With the following committee amendment:

Strike out all after the enacting clause and insert the following: "That the President is authorized and requested on behalf of the Order of the Sons of Pericles (the Junior Order of Ahepa), a national fraternity of youthful American citizens of Hellenic descent, to provide through the American Minister to Greece for the presentation to the people of Greece of the monument recently erected in the Garden of Heroes at Missolonghi, Greece, the shrine of Greek independence, as a tribute to and in commemoration of those patriotic Americans who, aided by the moral and material support and assistance of the entire American people, gave their services, their fortunes, and their lives to the cause of Greek independence in the Greek Revolutionary War of 1821."

The joint resolution was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

The title was amended so as to read: "Joint resolution providing for the presentation through the American Minister to Greece of a certain monument to the people of Greece."

LXXXIV—428

Mr. O'NEAL. Mr. Speaker, I ask unanimous consent to revise and extend my own remarks at this point in the RECORD and include therein a part of the report on House Joint Resolution 294, which has just been passed.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky [Mr. O'NEAL]?

There was no objection.

Mr. O'NEAL. Mr. Speaker, the Order of Sons of Pericles, the Junior Order of Ahepa, is a fine patriotic society, like its senior, the Ahepa. They have done a magnificent thing in providing for this memorial, and I take pleasure in including as a permanent record a part of the committee report upon this bill. I also wish to express my appreciation to Mr. ROBERT ALLEN, Congressman from Pennsylvania, for the great interest he exhibited in this bill.

The Order of Sons of Pericles, the Junior Order of Ahepa, was instituted as a fraternal organization on January 30, 1926, in Manchester, N. H. Today the fraternity has initiated into its ranks over 8,000 members and has a total of 202 chapters, 196 in the United States and 6 in the Dominion of Canada, during the short 13 years of its existence.

The membership of the Order of Sons of Pericles is composed of youths of Hellenic descent, between the ages of 14 and 23, who are today organized in an organization, Nation-wide in scope and activity, with a full program of education, sports, mutual aid and benefit, and the establishment of fraternal bonds of mutual good will and cooperation.

Like its senior order, the Order of Ahepa, a national order of American-Hellenic citizens of the United States, the Order of Sons of Pericles yearly gives scholarship aid to its members. However, not only does the order give scholarship aid to its members but it also offers them summer camps, district and sectional meetings and conclaves; intersectional and interdistrict competitions in all sports; an annual excursion to Greece, which is offered to bring to our members a glance into the lives of the youth of other lands; an outlined educational program in the very chapter rooms and a healthful and broadening experience in social contacts; and the problems of cooperation and unity between and among individuals and groups, as well as aid in securing employment and a chance in their respective vocations in life.

As a part of its program of further cementing and binding the good will that exists between the two countries of America and Greece, the Order of Sons of Pericles, under the direction of Mr. John F. Davis, of Scranton, Pa., chairman of the supreme advisory board of the Sons of Pericles, has erected a monument in the city of Missolonghi to the memory of those noble and valiant philhellenes of America who in the years of 1821-30 aided the struggling patriots in securing their independence from Turkey, after 400 years of slavery and oppression.

Almost every important nation, with the exception of America, today has erected monuments at the city of Missolonghi in memory of their nationals who fought for and aided Greece in her revolution of 1821. Knowing this fact and feeling the great need of a monument of recognition to those great Americans, the Order of Sons of Pericles has completed its memorial to the philhellenes of America of 1821, and will hold the unveiling on July 4, 1939, during the annual Sons of Pericles excursion to Greece.

Greece, the light of the world for over 2,000 years, fell beneath the armies of the Mohammedan Turks in 1456 with the fall of Constantinople. Shortly thereafter all of Greece became a subject of the Turkish pashas, and for 400 years, until her successful struggle for freedom that opened on March 25, 1821, that resulted in her final freedom as a free nation and people, Greece was but a province of Turkey, and under Mohammedan rule. Greece, the center and the first believer in and adopter of Christianity, saw her great churches turned into Mohammedan mosques, and in Greece Christianity slept quietly but with open eyes and ready mind until her day should come once again.

The fight for independence was centered in the city of Missolonghi, Greece, today named the Holy City because of the great siege staged there and the many sacrifices given by the Greek patriots in defending the city. The siege lasted through 4 weary years. In the city only 410 fighting men at one time defended the thousands of old men, women, and children gathered there, while 30,000 Turkish soldiers constantly hammered at the walls. They were 4 years of starvation, misery, and disease for the defenders. Time and again they were saved from complete annihilation by courageous and foolhardy attacks on the Turkish Armies by Greek patriots who came down from the mountains to worry the siegers in attempts to drive them away from the city. Defeat for those in the city meant death under the sword.

The Turkish pashas were determined that their revolting subjects should pay with their lives for their uprising. The populations of many cities were wiped out, and the struggle could but either end in victory for the Greek patriots or in their complete massacre under the Turkish swords. Christianity was waging its bitterest struggle, determined to push the Mohammedan out of Europe or resign itself to death.

On April 10, 1826, Missolonghi fell, and the city with its inhabitants was destroyed and left a burning pyre. Only 2,000 citizens, with superhuman efforts, broke through the lines and escaped into the nearby hills.

Slowly the world had learned of the struggle in Greece, and the response of the American people was instantaneous and complete.

On December 4, 1822, President James Monroe expressed the hope and the earnest belief that Hellas would become a free nation and that she would attain her rightful place among the nations of the world as her due. Henry Clay, Daniel Webster, and other great legislators of the day, gave impassioned pleas in Congress in support of the cause of Greece. Several States recognized, in their legislative acts, the fact that a nation, Greece, was waging a fight for independence, and the parallel was shown and drawn, showing the comparison between the struggle waged by the Original Thirteen Colonies against England in the Revolutionary War.

Samuel Gridley Howe, of a well-known Boston family, educator and physician, was Greece's greatest active champion in America. He served as surgeon in chief of the Green Fleet. George Jarvis, Jonathan P. Miller, Estiwick Evans, and others held active service in the ranks of the Greek patriots. When Howe returned to the United States he spread everywhere the call for aid for the Greeks, and the response was immediate.

In Boston, Philadelphia, New York, and other cities Greek relief funds were created and money, food, and clothing sent to Greece to aid the patriots. The cities of Wilmington, Del., Bristol, R. I., Hartford, Conn., and Springfield, Mass., raised large sums that were sent abroad to Greece. The undergraduate students at Yale University gathered \$500, and Columbia University in New York City, the Theological School at Andover College in Massachusetts, and other educational institutions sent contributions. Students and instructors could never forget the vast stores of learning that had come down to them from the days of Greece's Golden Age, and they were hopeful that their aid might, in some small measure, repay the great blessings that Greece has given the world in learning, art, and human development. Two churches in Boston each gave \$300. On January 8, 1824, a large ball was held in New York City, tickets selling for \$5 each. Over 2,000 attended the affair, and the entire proceeds was given to the Greek relief fund and sent to Greece. By the end of April 1824 New York City philhellenes, alone, had sent more than \$32,000 to Greece, a considerable amount in those early days.

Influential families in America adopted young Greek orphans, refugees, that were left homeless on the battlefields of Greece. Many of these young boys later rose to high Government and professional positions in American life.

The Sons of Pericles memorial reflects, in entirety, the beliefs and the principles of the members of the order, an organization founded in America, the adopted country of their parents. It is fitting, also, that the Order of Sons of Pericles present to the people of Greece, from the citizens of the United States, this memorial in memory of American philhellenes, for it is a tribute from the citizens of one Nation, America, founded by men who struggled for the right of self-determination, religious freedom, and political representation; given by an organization, the Sons of Pericles, which has developed its program and growth on those principles; to a nation, Greece, whose history has been a continual struggle for those self-same principles and ideals.

The memorial has been erected as a friendly gesture of international amity and good will, in order to effect a closer understanding between the two Nations, the United States of America and Greece, and in the fervent hope of retaining and furthering those bonds of friendship now existent between the peoples of these nations.

We have endeavored to bring out, briefly, the struggle in Greece and her debt to the citizens of the United States of America. America also owes a debt of gratitude to those scores of American philhellenes who aided Greece.

The Order of Sons of Pericles the Junior Order of Ahepa composed of members who are native-born citizens of the United States of America of Greek descent seeing the need of a suitable and appropriate monument to the memory of those great men, has erected the Sons of Pericles memorial to the philhellenes of America of the Greek revolutionary war of 1821. The monument is being presented to the citizens of Greece, by the Order of Sons of Pericles, on behalf of the people of the United States of America.

EXTENSION OF REMARKS

Mr. HENNINGS. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial from the St. Louis Globe Democrat upon the subject of our foreign policy.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. MARTIN J. KENNEDY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include a brief constructive suggestion from a New York contractor regarding W. P. A.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LEAVY. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein a brief article in the Portland Oregonian concerning the Grand Coulee Dam and that development.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

Mr. BLOOM. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein speeches made by Senator William H. King, Gov. Herbert H. Lehman, Mayor Fiorello H. LaGuardia, and others, including the program at the New York World Fair, 1939, at the dedication of the Palestine pavilion on Sunday, May 28, 1939.

Mr. FISH. Mr. Speaker, reserving the right to object, I could not hear a word that the gentleman said.

Mr. BLOOM. I ask unanimous consent to extend my remarks in the RECORD and to include therein speeches made by Senator King, Mayor LaGuardia, Governor Lehman, and others at the dedication of the Palestine pavilion at the New York World Fair.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. SMITH of Virginia. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD and to include therein an address by Postmaster General Farley, made to the Virginia Division of Postmasters, at Charlottesville, on yesterday.

Mr. RICH. Mr. Speaker, reserving the right to object, about every day we get a request to put in the RECORD a speech of Postmaster General Farley. Is he putting these speeches in the RECORD as Postmaster General or are they made as the Democratic national chairman in this tour he is making to try to find out who is going to be the next Democratic President?

Mr. SMITH of Virginia. If the gentleman will read the speech I am sure he will get that information and I believe it will do him some good.

Mr. RICH. I am sure he has had more speeches put in the RECORD than any other man who ever held public office.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. McGRANERY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. McGRANERY. Mr. Speaker, I was much amazed, as I suppose the membership of the House was, to learn that a distinguished Irish soldier and citizen was placed under arrest by our Government and held incommunicado in Detroit. This gentleman I know. He is a distinguished soldier and citizen of Ireland and a scholar. He has no intention whatever of either endangering the life or affronting the dignity of Their Majesties while here. It seems to me to have been a very stupid blunder on the part of our Government. If, during the early days of the critical period of our history when the Colonies were not only not recognized but totally discredited in the eyes of the world when we sent Franklin to France, the same thing had happened to him, God knows what might have happened to the American cause. Franklin created a new confidence in our cause and raised money.

There will be a meeting in my office this afternoon of a very substantial number of the Members of this House in order to find out just what the reason or the attitude of the Government or the Department that placed him under arrest was in the matter, and to insist upon carrying out the law as I understand it.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. McGRANERY. I yield.

Mr. FISH. Under what Federal law has he been arrested?

Mr. McGRANERY. I do not know; none that I know of. [Here the gavel fell.]

AMENDMENT OF PUBLIC LAW NO. 190 OF THE SIXTY-SIXTH CONGRESS

Mr. RANKIN. Mr. Speaker, I ask unanimous consent that the bill (H. R. 3386) to amend Public Law No. 190 of the Sixty-sixth Congress, which has been referred to the Committee on World War Veterans' Legislation, be rereferred to the Committee on Invalid Pensions.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mr. SWEENEY. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SWEENEY. Mr. Speaker, I want to join in the protest made by my distinguished friend from Pennsylvania [Mr. McGRANERY] in protesting against the action of the Department of Justice in jailing in Detroit, Mich., a distinguished Irish citizen who is here on a lecture tour. He is here on a lecture tour just like Dr. Benes, the former President of Czechoslovakia, is here on a lecture tour, minding his own business. He is here on a valid passport. The action in detaining Mr. Sean Russell demonstrates the influence of the British Government in the United States

when Scotland Yard can wire the Department of Justice in Washington to pick up an innocent man on the flimsy pretext that he may possibly do some harm to the distinguished guests who are coming here tomorrow. This move is designed to cast aspersions upon the Irish race in the United States. Our protest against the visit will be vocal; it will never be physical under the circumstances.

I hope there will be enough Members of this Congress to join with Mr. McGRANERY and some more of us in laying our protests before the State Department this afternoon. [Applause.]

EXTENSION OF REMARKS

Mr. DARROW. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an address by Will H. Gibson, former secretary of state of the State of Idaho, on the subject of Public Education.

The SPEAKER. Is there objection?

There was no objection.

THE INDEBTEDNESS OF FOREIGN GOVERNMENTS TO THE UNITED STATES

Mr. PLUMLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this point and to include two or three tables prepared and furnished for me at my request by the Treasury Department.

The SPEAKER. Is there objection?

There was no objection.

Mr. PLUMLEY. Mr. Speaker, I desire to place in the RECORD at this point a statement showing the total payments received on account of indebtedness of foreign governments to the United States as of March 1, 1939, as furnished me by the United States Treasury Department yesterday.

Total payments received on account of indebtedness of foreign governments to the United States as of Mar. 1, 1939

Country	Total payments received	On funded debts		On debts prior to funding ¹	
		Principal	Interest	Principal	Interest
Belgium.....	\$52,191,273.24	\$17,100,000.00	\$14,490,000.00	\$2,057,630.37	\$18,543,642.87
Cuba.....	12,286,751.58			10,000,000.00	2,286,751.58
Czechoslovakia.....	20,134,092.26	19,829,914.17			304,178.09
Estonia.....	1,248,432.07		1,246,990.19		1,441.88
Finland.....	5,495,905.77	877,913.56	4,308,676.94		309,315.27
France.....	486,075,891.00	161,550,000.00	38,650,000.00	64,639,558.18	221,385,302.82
Germany (Austrian indebtedness) ²	862,698.00				
Great Britain.....	2,024,848,817.09	232,000,000.00	1,232,770,518.42	202,181,641.56	357,896,657.11
Greece.....	4,039,888.01	981,000.00	1,896,812.00	2,922.67	1,159,153.34
Hungary.....	497,950.80	73,995.50	423,202.26		753.04
Italy.....	100,829,880.16	37,100,000.00	5,766,708.26	364,319.28	57,598,852.62
Latvia.....	761,549.07	9,200.00	621,520.12		130,828.95
Liberia.....	36,471.56			26,000.00	10,471.56
Lithuania.....	1,237,956.58	234,783.00	1,001,626.61		1,546.97
Nicaragua.....	168,575.84			141,950.36	26,625.48
Poland.....	22,646,297.55	1,237,297.37	19,310,775.90		2,048,224.28
Rumania.....	4,791,007.22	2,700,000.00	29,061.46	1,798,632.02	263,313.74
Russia.....	8,750,311.88				8,750,311.88
Yugoslavia.....	2,588,771.69	1,225,000.00		727,712.55	636,059.14
Total.....	2,749,492,491.37	475,631,771.60	1,320,515,892.16	281,990,393.99	671,354,430.62

¹ Includes cash received upon execution of debt-funding agreements amounting to \$4,768,606.14, of which amount \$600,639.83 was applied on principal and \$4,167,966.31 on interest.

² The German Government has been notified that the Government of the United States will look to the German Government for the discharge of the indebtedness of the Government of Austria to the Government of the United States.

I also append a statement showing the total indebtedness of foreign governments to the United States as of March 1, 1939.

Statement showing total indebtedness of foreign governments to the United States, Mar. 1, 1939

Country	Total indebtedness	Principal unpaid ¹	Interest postponed and payable under moratorium agreements	Interest accrued and unpaid under funding and moratorium agreements
Funded debts:				
Belgium.....	\$449,080,212.01	\$400,680,000.00	\$3,750,000.00	\$44,650,212.01
Czechoslovakia.....	165,729,490.80	165,241,108.90		488,381.90
Estonia.....	20,736,660.17	16,466,012.87	492,360.19	3,778,287.11
Finland.....	8,248,799.24	8,122,086.44	126,712.80	
France.....	4,160,874,850.69	3,863,650,000.00	38,636,500.00	258,538,320.69
Germany (Austrian indebtedness) ²	26,011,672.09	25,980,480.66		31,191.43
Great Britain.....	5,419,388,374.72	4,368,000,000.00	131,520,000.00	919,868,374.72
Greece.....	34,068,437.06	31,516,000.00	449,080.00	2,103,357.06
Hungary.....	2,364,620.70	1,908,560.00	57,072.75	398,987.95

¹ Includes principal postponed under moratorium agreements and principal amounts not paid according to contract terms.

² The German Government has been notified that the Government of the United States will look to the German Government for the discharge of the indebtedness of the Government of Austria to the Government of the United States.

Statement showing total indebtedness of foreign governments to the United States, Mar. 1, 1939—Continued

Country	Total indebtedness	Principal unpaid	Interest postponed and payable under moratorium agreements	Interest accrued and unpaid under funding and moratorium agreements
Funded debts—Continued.				
Italy.....	\$2,022,745,422.62	\$2,004,900,000.00	\$2,506,125.00	\$15,339,297.62
Latvia.....	8,546,035.99	6,879,464.20	205,989.96	1,460,582.83
Lithuania.....	7,650,387.79	6,197,682.00	185,930.46	1,266,775.33
Poland.....	259,502,346.55	206,057,000.00	6,161,835.00	47,283,511.55
Rumania.....	63,990,795.60	63,869,560.43		130,235.17
Yugoslavia ³	61,740,546.89	61,625,000.00		115,546.89
Total.....	12,710,628,623.86	11,231,083,955.50	184,091,606.16	1,295,453,062.20
Unfunded debts:				
Armenia.....	23,303,395.87	11,959,917.49		11,343,478.38
Nicaragua ⁴	385,372,179.65	192,601,297.37		192,770,882.28
Russia.....				
Total.....	408,675,575.52	204,561,214.86		204,114,360.66
Grand total.....	13,119,304,199.38	11,435,645,170.36	184,091,606.16	1,499,567,422.86

³ This Government has not accepted the provisions of the moratorium.

⁴ The United States holds obligations in the principal amount of \$289,898.78, which, together with accrued interest thereon, are to be canceled pursuant to agreement of Apr. 14, 1938, between the United States and the Republic of Nicaragua, ratified by the United States Senate on June 13, 1938.

NOTE.—Indebtedness of Germany to the United States on account of costs of army of occupation and awards under Settlement of War Claims Act of 1928, as amended, not shown in above statement.

I am including a statement showing the amounts included in the total indebtedness of foreign governments to the United States as of March 1, 1939, which though previously due under the finding and moratorium agreements were not and have not been paid as of the date due according to the terms of such agreements.

AMOUNTS NOT PAID ACCORDING TO TERMS OF AGREEMENTS

The total indebtedness of foreign governments to the United States as of March 1, 1939, includes the following amounts previously due under the funding and moratorium agreements and not paid as of that date according to the terms of such agreements.

	Funding agreements		Moratorium agreements annuities	Total
	Principal	Interest		
Belgium.....	\$26,600,000.00	\$43,356,000.00	\$5,328,992.68	\$75,284,992.68
Czechoslovakia.....	17,670,085.83		2,010,940.58	19,681,026.41
Estonia.....	859,000.00	3,680,550.00	402,438.19	4,941,988.19
France.....	284,345,738.11	250,398,622.50	33,515,676.92	568,260,037.53
Germany (Austrian indebtedness) ¹	1,840,372.00		139,068.92	1,979,440.92
Great Britain.....	202,000,000.00	893,899,481.58	105,928,415.55	1,202,827,897.13
Greece.....	5,440,000.00	1,928,995.50	751,680.63	8,120,676.13
Hungary ²	93,175.00	387,699.37	46,481.38	527,355.75
Italy.....	80,200,000.00	12,945,229.24	9,837,714.68	103,002,943.92
Latvia.....	346,100.00	1,419,777.84	168,016.86	1,933,894.70
Lithuania.....	263,580.00	1,230,220.69	150,515.86	1,644,316.55
Poland.....	10,350,000.00	46,064,700.00	5,018,526.81	61,433,226.81
Rumania.....	9,000,000.00		536,250.88	9,536,250.88
Yugoslavia.....	2,275,000.00	115,546.89		2,390,546.89
Total.....	641,283,050.94	1,255,426,823.61	164,854,719.94	2,061,564,594.49

¹ The German Government has been notified that the Government of the United States will look to the German Government for the discharge of this indebtedness to the Government of Austria to the Government of the United States.

² The Hungarian Government has deposited with the foreign creditors' account at the Hungarian National Bank an amount of pengos equivalent to the interest payments due from Dec. 15, 1932, to June 15, 1937. The debt funding and moratorium agreements with Hungary provide for payment in dollars in the United States.

Lastly, I offer for your examination and consideration a table showing payments due June 15 and July 1, next, on account of indebtedness of foreign governments to the United States:

PAYMENTS DUE JUNE 15, 1939, AND JULY 1, 1939, ON ACCOUNT OF INDEBTEDNESS OF FOREIGN GOVERNMENTS TO THE UNITED STATES

The following statement shows the amounts due under the funding and moratorium agreements on June 15, 1939, and July 1, 1939:

	Funding agreements		Moratorium agreements	Total
	Principal	Interest		
Due June 15, 1939:				
Belgium-----	\$4,700,000.00	\$4,158,000.00	\$484,453.88	\$9,342,453.88
Czechoslovakia-----	1,500,000.00		182,812.78	1,682,812.78
Estonia-----		286,265.00	36,585.29	322,850.29
Finland-----		141,662.50	19,030.50	160,693.00
France-----	74,320,592.38	19,261,432.50	3,046,879.72	96,628,904.60

	Funding agreements		Moratorium agreements	Total
	Principal	Interest		
Due June 15, 1939—Con.				
Great Britain		\$75,950,000.00	\$9,720,765.05	\$85,670,765.05
Hungary		33,185.08	4,225.58	37,410.66
Italy	\$15,200,000.00	1,245,437.50	896,155.88	17,341,593.38
Latvia		119,609.00	15,274.26	134,883.26
Lithuania	49,245.00	107,783.67	13,633.26	170,711.93
Poland		3,582,810.00	456,229.71	4,039,039.71
Rumania	2,200,000.00		45,750.08	2,245,750.08
Yugoslavia	450,000.00	38,515.63		488,515.63
Total June 15, 1939	98,419,837.38	104,924,700.88	14,924,845.99	218,269,384.25
Due July 1, 1939:				
Greece	175,000.00		13,169.45	188,169.45

PERMISSION OF COMMITTEE OR SUBCOMMITTEE TO SIT DURING THE SESSIONS OF THE HOUSE

Mr. MAY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MAY. The parliamentary inquiry is whether or not the rule of the House which requires a committee of the House to obtain the permission of the House to sit during the sessions of the House applies to subcommittees of the various committees of the House.

The SPEAKER. In reply to the gentleman from Kentucky, the Chair will read the rule:

No committee, except the Committee on Rules, shall sit during the sitting of the House, without special leave.

Mr. MAY. I do not think the Chair quite understood my inquiry.

The SPEAKER. That rule applies also to any subcommittee of a legislative committee. It cannot sit without permission of the House.

Mr. MAY. Then, Mr. Speaker, I ask unanimous consent that Subcommittee No. II of the Committee on Military Affairs, relating to the Tennessee Valley Authority, be permitted to sit during the sessions of the House today.

The SPEAKER. Is there objection?

There was no objection.

PROPOSED ANTARCTIC EXPEDITION

Mr. RICH. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks in the Record.

The SPEAKER. Is there objection?

There was no objection.

Mr. RICH. Mr. Speaker, I call attention to the fact that the Director of the Bureau of the Budget, Mr. Harold D. Smith, has requested that we grant \$340,000 with which to start another Antarctic expedition, which will ultimately cost

\$1,000,000, and the President of the United States concurs in that request, as per his letter of May 26, which I insert herewith:

THE WHITE HOUSE,
Washington, May 26, 1939.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1939 in the amount of \$340,000.

The details of this estimate, the necessity therefor, and the reason for its transmission at this time are set forth in the letter of the Director of the Bureau of the Budget, which is transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

FRANKLIN D. ROOSEVELT.

We are going to be called upon in the Committee on Appropriations to grant this \$1,000,000 to make another vacation trip to the South Pole. A hot thing to propose at this time. It seems to me, when we are two billion and a quarter dollars in the red for this year, and will be \$4,000,000,000 in the red for next year, that if there ever was a piece of folly, this proposition is that, and why the President and the Director of the Bureau of the Budget should ask the Members of Congress to expend \$1,000,000 to make a trip down to the South Pole I cannot understand. I hope that the Members of the House will turn down the request. I insert here the Budget Bureau's request to make the appropriation:

BUREAU OF THE BUDGET,
Washington, May 26, 1939.

THE PRESIDENT,

The White House.

SIR: I have the honor to submit herewith for your consideration a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1939, in the amount of \$340,000, as follows:

GOVERNMENT IN THE TERRITORIES

"Expenses, Division of Territories and Island Possessions: For an additional amount for expenses of the Division of Territories and Island Possessions in the investigation and survey of natural resources of the land and sea areas of the Antarctic regions, including personal services in the District of Columbia and elsewhere, without regard to the civil-service laws or the Classification Act of 1923, as amended, or by contract, if deemed necessary, without regard to the provisions of section 3709 of the Revised Statutes, rent, traveling expenses, purchase of necessary books, documents, newspapers and periodicals, stationery, hire of automobiles, purchase of equipment, supplies and provisions, and all other necessary expenses, fiscal year 1939, to remain available until June 30, 1940, \$340,000: *Provided*, That fuel, repairs, and emergency supplies may be contracted for in foreign ports: *Provided further*, That reimbursement may be made to individuals for expenditures for services and supplies, and for other expenses incurred subsequent to May 2, 1939, when such expenditures have been approved by the Secretary of the Interior (47 Stat. 1517; 48 Stat. 16; Executive Order No. 6726; Public. No. 61, May 2, 1939), \$340,000."

This estimate of appropriation is to provide for the expenses of an expedition to the Antarctic regions for the purpose of making surveys and investigations of the natural resources of land and sea areas therein. The estimate covers the amount that will be required until the end of the fiscal year 1940. An additional sum will be needed in 1941 to return the members of the expedition to the United States or, in the event the project cannot be completed within a year, to provide provisions and other supplies for a longer period.

The foregoing estimate of appropriation is required to meet a contingency which has arisen since the transmission of the Budget for the fiscal year 1939, and approval is recommended.

Very respectfully,

HAROLD D. SMITH,
Director of the Bureau of the Budget.

We have had more joy rides by this administration than any other administration. They seem to be devising means to spend, spend, spend. Is it not possible to stop Roosevelt spending? Stop him lending, stop him bending, for every New Deal device to spend, spend, spend; or we will be wrecked, wrecked, wrecked. Will you help create jobs, not take any more joy rides?

THE SPEAKER. The time of the gentleman from Pennsylvania has expired.

LIBRARIAN OF CONGRESS

Mr. THOMAS of New Jersey. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to extend my remarks in the RECORD.

THE SPEAKER. Is there objection?
There was no objection.

Mr. THOMAS of New Jersey. Mr. Speaker, gentlemen of the House, I wish to call your attention to the latest Presidential appointment which, according to this morning's papers, has been transmitted to the Senate for confirmation today. I refer to the appointment of one Archibald MacLeish as Librarian of Congress. MacLeish is one of the leading "fellow travelers" of the Communist Party today.

This appointment once more raises the vital and alarming issue of the Communist influence on appointments emanating from the White House. A few days ago the foremost "fellow traveler" of the Communist Party in the United States was appointed to a secretarial post in the Virgin Islands. That was Robert Morss Lovett who, according to the records, has been affiliated with at least 25 united fronts of the Communist Party. This newest appointee, MacLeish, ranks in importance as a "fellow traveler" not far behind Lovett.

Two years ago the Communist Party set up a united front known as the League of American Writers. This league held its annual congress only last Saturday in New York where its leading visiting speaker from abroad was one Louis Aragon, editor of the French Communist newspaper, *Ce Coir*, and admitted in the columns of the *Daily Worker* last week to be a Communist. MacLeish was one of the 23 signers of the call to the congress of 1937, which set up the League of American Writers. Out of the 23, 12 were well-known Communists and some of the others were equally well-known as "fellow travelers," including Robert Morss Lovett.

MacLeish has also been a member of the National Committee of the Medical Bureau to Aid Spanish Democracy, an organization shown by testimony before the Dies committee last year to be a united front of the Communist Party.

MacLeish was also a member of the National Advisory Committee of the American Youth Congress, another united front maneuver of the Communists.

MacLeish was also a member of the Motion Picture Artists Spanish Aid, along with sundry members of the Communist Party and other "fellow travelers."

Several years ago the Communist Party frequently denounced MacLeish as a Fascist. But that was before the new "line" of the present Communist Party's strategy was adopted. If his appointment as Librarian of Congress had been made back in that former period, the Communist Party's press would now be denouncing it with vehemence. However, now that the Communist Party has taken MacLeish to its ideological bosom, there will be nothing but prolonged applause for this appointment which sends one of its loyal friends into a most important public position.

It is high time that a final halt were called to this Communist penetration of government.

EXTENSION OF REMARKS

Mr. ENGEL. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include an invitation on the part of the Procurement Division of the Treasury Department to bid on a treadmill for dogs.

THE SPEAKER. Is there objection?

There was no objection.

PICKETING IN DETROIT

Mr. HOFFMAN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute and to revise and extend my remarks in the RECORD.

THE SPEAKER. Is there objection?

Mr. HOFFMAN. Also, Mr. Speaker, to include therein two short statements by former Representative Pettengill, of Indiana, and a short editorial from the *Detroit Free Press*.

THE SPEAKER. Is there objection?

There was no objection.

THE RIGHT TO WORK

Mr. HOFFMAN. Mr. Speaker, yesterday the attention of the House was by me called to the fact that here in Washington the Workers Alliance in convention assembled was demanding that the Congress provide the money to give every unemployed person in the United States a job. As given in the press, their slogan was "The right to work."

For more than 2 years, in Congress and in many other places, I have been demanding that the right to work—a civil liberty and in the past there has been a great deal of talk by the Senate Civil Liberties Committee, and today by Attorney General Murphy, about the denial of civil liberties—be protected.

In the past, the Senate Civil Liberties Committee and, more recently, Attorney General Murphy, has been making a loud noise on the theory that employers denied to employees the right to work except under improper conditions or for a starvation wage. That committee has spent considerable money, a great deal of time, in attempting to show that employees have been persecuted, have been denied their civil liberties. So far as I have been able to learn, that committee never at any time expressed any concern over the denial to employers of the right to give work to employees.

Attorney General Murphy, while Governor of Michigan, used the National Guard of that State in a manner which resulted in the denial of the right to work. His words do not match and are not consistent with his actions.

At the present time, using the National Labor Relations Act as its authority, the National Labor Relations Board, John L. Lewis, and the organizations in which he is a power, are destroying civil liberties, are making it more and more difficult for men to work.

Many times have I called the attention of this House to the fact that John L. Lewis is seeking a monopoly over labor; that, if he continues on his course, the time will come, and that all too soon, when he will sell the worker to the industrialist as slaves were sold in the olden days; as cattle are sold in the markets of the world today.

On almost every possible occasion I have attempted to arouse this House to a realization of what is actually taking place; to point out the danger of our failure to amend the National Labor Relations Act, our failure to counteract the propaganda which has been put out by the Senate Civil Liberties Committee.

Today, shaping itself to public view, there is the coalition existing between some forces in the administration, John L. Lewis, the Communists, Earl Browder, their former candidate for President—all claiming to act under color of laws which we have enacted—which is steadily driving forward toward a united front, and which will present to the people of this country the issue, whether disguised or not, between those who believe in a constitutional form of government, such as has brought us our prosperity, which has established here for the worker living conditions better than anywhere else in this whole world of ours. These forces on the one side and on the other; those who believe either in communism or fascism; those who believe that government should control and operate all business activities; some of whom believe that what we need is a dictator and that the step toward that dictatorship is a third term for the present occupant of the White House, who has left behind him a record unparalleled for its deception, its waste, its extravagance, its corruption, its destruction of civil liberties.

We here in Congress have a responsibility which rests upon us, which we cannot, which we should not, desire to shirk or to avoid. Upon us rests the determination of whether or not our form of government shall be preserved or whether we shall aid, by now neglecting our duty, in the continuation of those forces which are none too gradually, which are most certainly, giving into the hands of Lewis and of bureaucrats the power to utterly destroy us as a nation.

Sustaining these views which I have expressed, let me quote from a former Democratic Member of this House, Hon. Samuel B. Pettengill, who so patriotically represented the Indiana District which adjoins the Fourth Michigan Congressional District. He recently wrote on this same subject, using as a title the words which I have so often called to your attention, "The Right to Work."

I read:

THE RIGHT TO WORK

A new political issue is in the making. It is the right to work. It is not in fact, new, but it is acquiring new and commanding interest. That is what makes issues.

The question is whether a labor monopoly, supported by public officials, and by violence, or the threat of violence, can compel a once free American to join a labor union and pay a fee in order to work, in order to live. A phase of that question is whether he must join a particular labor union.

John L. Lewis presents this latter question to the Nation. Can a soft-coal miner join the union of his choice? Mr. Lewis says no; he can't. He must join Mr. Lewis' union. He cannot join any other union. If he does he can't mine coal. He can't eat bread.

Bear in mind that Mr. Lewis was a sponsor of the Wagner Labor Relations Act. This act says that it is the public policy of the United States to protect "the exercise of workers of full freedom of association, self-organization, and designation of representatives of their own choosing, for the purpose of negotiating the terms and conditions of their employment or other mutual aid or protection."

This is sound public policy. The right of collective bargaining by workers as a counterbalance to collective bargaining by capital is a weapon labor must have either in its hand or behind the door. Without it we have seen too many examples of industrial tyranny.

But Mr. Lewis now denies to workers the right so guaranteed to workers. He is making war against a bill he sponsored, which is now the law of the land. Mr. Lewis, in effect, amends this law by saying it applies to no labor union but his own.

He defies State and National authority to guarantee to workers the "full freedom" to associate in unions of their own choice, and to designate representatives "of their own choosing." If they do not choose Mr. Lewis' union they can go hungry. Their mines cannot open.

He says in effect to the coal miners, "Join my union. Pay dues to me or you can't work. You cannot choose to associate with the Progressive Miners, nor with the American Federation of Labor. You cannot choose to belong to no union. You cannot choose to form an independent union."

"If you do any of these things, you can't work. My pickets will prevent you. If a Governor stops my pickets, I will drive the Governor out of office. Governors must take orders from me. You must pay tribute to my union or go without work. The money you pay I will use in large part, not for your benefit, but to organize steel, automobile, textile, farm workers. Then I will apply the same squeeze on the men in these industries."

If what Mr. Lewis is doing were done by employers and a company union, the law and the White House would be upon their heads. Mr. Lewis proposes to freeze out all other unions. He won't have "any d—d labor organizer monkeying with his men." This telegram from the president of the Progressive Mine Workers to the President of the United States tells the story:

"We represent a majority of the employees in 224 mines formerly covered by the Appalachian agreement employing upward of 80,000 miners. We have been designated by them to be their bargaining agent. Under the Wagner Act neither these employers nor their agents can bargain with United Mine Workers of America covering their employees nor can they make closed-shop agreements with the United Mine Workers."

"The decision in the case of *Progressive Mine Workers of America v. Kelly's Creek Colliery Co.* should be read before negotiations are undertaken, as the United Mine Workers are seeking to circumvent this decision by their present demands for a closed shop and to eliminate the strike penalty clause."

"We know that you, as President, representing all of the people and not only a portion thereof, will not take sides with any party seeking to circumvent the Wagner Act, with knowledge of all the facts as herein stated. * * *

Mr. Lewis is fighting for a blacklist of his own. If a combination of employers agree not to employ a member of Mr. Lewis' union, they do a lawless thing. Mr. Lewis can enjoin them from doing it. The courts will protect the worker in his fundamental right to work even if he belongs to a union the employers do not like. He can neither be fired nor his family starved to give up union membership. Such was the old blacklist—a weapon of industrial tyranny now happily outlawed.

But now that employers are forbidden to blacklist his workers, Mr. Lewis now proposes to blacklist all other workers himself. In one case employers deny the right to work of a man who belongs to a union. Mr. Lewis denies the right to work of a man who does not belong to a union, and in particular to his union. Under the old deal some employers blacklisted the worker. Under the New Deal Mr. Lewis blacklists the worker.

Note this editorial from a recent issue of the Detroit Free Press. Detroit, as you know, had more than enough experience with the C. I. O. during the sit-down strikes of 1937. Not content with its experience over that period, not content with its repudiation in the Detroit city elections, and in the more recent State election of 1938, that organization still continues its activities. Similarly recent exploits by others were the picketing of a ball park and of the animal cages at the Detroit zoo. Note this editorial:

GETTING OUT OF HAND

Are not certain elements in the C. I. O. endangering the good will of the public, which was beginning to forget about their sit-down strikes and to regard them as a grown-up labor organization?

Certain recent events would give one the impression that individuals and groups in the C. I. O. are again acting on the principle of "the public be damned."

The recent attempt by some 2,000 sympathizers with the strikers at the Briggs Manufacturing Co. to picket Briggs Stadium and to keep the public, and even their fellow workers, from seeing a ball game, was one such incident.

Another was the beating up of the patrons of a beer garden, allegedly by members of the striking Briggs local, when the proprietor, acting within the law, ejected a member of the local for drunkenness and insulting women patrons.

And Saturday a dozen members of the W. P. A. Unemployed Workers Department of the U. A. W.-C. I. O. started to picket the animal cages at the Detroit Zoo.

All of these acts, and particularly the picketing of the ball park and the zoo, were attempts to keep the public, and many of their own fellow workers, from enjoying entertainment that had nothing whatever to do with the strike at the Briggs Manufacturing Co.

A whole labor organization is not to be indicted because of the acts of a few misguided members of it, but if the responsible leaders do not act to check this sort of thing, the public is likely to visit its resentment upon the U. A. W.-C. I. O. as a body.

When will Congress use its authority and its power to see to it that the civil liberties about which Attorney General Murphy so hypocritically prates are actually protected?

The SPEAKER. The time of the gentleman from Michigan has expired.

THE LIBRARIAN OF CONGRESS

Mr. RAYBURN. Mr. Speaker, I ask unanimous consent to proceed for 1 minute.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. RAYBURN. Mr. Speaker, I trust the gentleman from New Jersey [Mr. THOMAS] who just spoke about the appointment of the Librarian, is present. I wanted to interrogate the gentleman and ask what he meant by "fellow traveler of the Communists"?

Mr. THOMAS of New Jersey. I will be glad to answer the gentleman.

Mr. RAYBURN. And if he states upon his responsibility that this new Librarian is a Communist. I do not know him.

Mr. THOMAS of New Jersey. I may say to the majority leader that the Dies committee, which includes five members of the Democratic Party and two members of the Republican Party, has definite information to the effect that this man McLeish is a fellow traveler of the Communist Party.

Mr. RAYBURN. What does the gentleman mean by "fellow traveler"?

Mr. THOMAS of New Jersey. A man who is absolutely sympathetic with the Communist cause, but for various reasons does not care to be a party member.

Mr. RAYBURN. The gentleman does not accuse him of being a Communist?

Mr. THOMAS of New Jersey. It is exactly the same thing.

Mr. RAYBURN. But the gentleman does not state that he is a Communist?

Mr. THOMAS of New Jersey. It is exactly the same thing.

Mr. RAYBURN. I asked the gentleman a question which he can answer by "yes" or "no."

Mr. THOMAS of New Jersey. He is aiding and abetting the Communist Party all the time, but for some reason does not want to become a member of the Communist Party.

Mr. RAYBURN. But he is not a Communist?

Mr. THOMAS of New Jersey. Certainly the gentleman will not disagree with this point; that is, that the administration is now, and has been for some time, placing people in key positions who are either members of the Communist Party or fellow travelers of the Communist Party?

Mr. RAYBURN. I do deny it, and I think the gentleman's statement is little short of slander.

EXTENSION OF REMARKS

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and include therein a somewhat lengthy list of the keymen of our New Deal administration.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. RICH. Mr. Speaker, reserving the right to object, if that list is going to take up too much of the RECORD, we cannot afford to have that expense added onto the Government.

Mr. SCHAFER of Wisconsin. It is a list of the keymen, many of whom are members of the Communist Party or who are Communist sympathizers. It will take up a considerable part of the RECORD, but I believe that the country is entitled to the information.

Mr. HOFFMAN. Mr. Speaker, reserving the right to object, will the gentleman include a definition of "fellow traveler"; one who goes along with?

Mr. SCHAFER of Wisconsin. In order to get the list of the keymen, including the Communist brethren and their sympathizers, into the RECORD I will do my best to do so, if the gentleman does not object to my request.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. SABATH. Mr. Speaker, I object. [After a pause.] Mr. Speaker, I withdraw the objection.

The SPEAKER. The Chair hears no objection to the request of the gentleman from Wisconsin.

THEIR MAJESTIES THE KING AND QUEEN OF GREAT BRITAIN

Mr. MAY. Mr. Speaker, I ask unanimous consent that I may address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

Mr. MAY. Mr. Speaker, two of our colleagues have just addressed the House, as they most assuredly had the right to do, with respect to the arrest of some person at Detroit, and their remarks indicated that the possibilities are that he was detained because of some feeling upon the part of some American authorities that there might be a chance of his doing violence to the King and Queen in this country while they are visiting us. I do not think any real American would even attempt injury to our distinguished visitors and I am sure that every Member of this House would feel that if the President of the United States were visiting in England we would be entitled to and would have every protection of his life while there. I merely want to say upon my own responsibility that it is the duty of every American citizen to see to it that Their Majesties while here are adequately and amply protected, and I hope that no violence nor attempt at violence will be resorted to toward them while they are in this country of ours, because they are the representatives of a great nation. Their visit is one of friendship and good will and I trust and feel assured that all our people without regard to party, creed, or race will so receive them. [Applause.]

[Here the gavel fell.]

EXTENSION OF REMARKS

Mr. JOHNS. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD by including therein a short editorial from the Green Bay Press Gazette, of Green Bay, Wis.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANGELL. Mr. Speaker, I ask unanimous consent to extend my own remarks and include a statement of the count through the fishways at the Bonneville Dam.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANGELL. Mr. Speaker, I also ask unanimous consent to extend my remarks and to include the Gallup poll which was released on June 6.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my own remarks in the RECORD.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my own remarks and insert in the Appendix a letter to

Frank R. McNinch, of the Federal Communications Commission, from Mr. Neville Miller, president of the National Association of Broadcasters.

The SPEAKER. Is there objection?

There was no objection.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES—MEETING OF INTERNATIONAL STATISTICAL INSTITUTE IN 1940

The SPEAKER laid before the House the following message from the President of the United States, which was read, and, with the accompanying papers, referred to the Committee on Foreign Affairs.

To the Congress of the United States of America:

I commend to the favorable consideration of the Congress the enclosed report from the Secretary of State to the end that legislation may be enacted to amend Public Resolution No. 46, approved August 9, 1935, to authorize and request the President to invite foreign governments to be represented by delegates at the twenty-fifth session of the International Statistical Institute, to be held in the United States in 1940, and to authorize an appropriation of the sum of \$5,000, or so much thereof as may be necessary, for participation by the United States in the meeting.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, June 7, 1939.

Mr. COLMER. Mr. Speaker, I ask unanimous consent to address the House for 1 minute to make an announcement.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MEETING JUNE 8 ON LIBERALIZATION OF SOCIAL SECURITY ACT

Mr. COLMER. Mr. Speaker, there will be a meeting in the House caucus room tomorrow morning at 10:30 of those Members of Congress who are interested in the liberalization of the present social-security bill with reference to pensions for the aged.

In this connection I call attention to my remarks of yesterday, which appear on pages 6683-6685 of the RECORD. This whole subject will be discussed at this meeting tomorrow, and we hope all who are interested in this most vital question will be present.

Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. COLMER. I yield.

Mr. FISH. Are the Republicans invited; are the minority Members invited?

Mr. COLMER. Certainly.

[Here the gavel fell.]

The SPEAKER. This is Calendar Wednesday.

CALL OF THE HOUSE

Mr. RICH. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] One hundred and eighty-five Members are present, not a quorum.

Mr. COOPER. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The Clerk called the roll, and the following Members failed to answer to their names:

[Roll No. 89]

Barton	Douglas	Jenkins, Ohio	Pierce, N. Y.
Bender	Evans	Jenks, N. H.	Rabaut
Boykin	Faddis	Kinzer	Sandager
Buckley, N. Y.	Fay	Kirwan	Satterfield
Burdick	Fitzpatrick	Knutson	Schulte
Byrne, N. Y.	Flaherty	Lea	Seger
Byron	Gathings	Lewis, Ohio	Short
Case, S. Dak.	Gifford	McMillan, Thos. S.	Somers, N. Y.
Casey, Mass.	Green	McReynolds	Sullivan
Chapman	Gross	Maclejewski	Summers, Tex.
Crawford	Gwynne	Magnuson	Taylor, Colo.
Curley	Harness	Marshall	White, Idaho
Dies	Harrington	Mitchell	Wood
Disney	Hartley	Nelson	Youngdahl
Ditter	Hess	Osmer	

The SPEAKER. On this roll call 371 Members have answered to their names, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

CALENDAR WEDNESDAY

The SPEAKER. The Clerk will call the roll of the committees.

USE OF NET WEIGHT IN COTTON TRANSACTIONS

Mr. FULMER (when the Committee on Agriculture was called). Mr. Speaker, by direction of the Committee on Agriculture, I call up the bill (H. R. 57) to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar. The House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union, with Mr. LEAVY in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. The gentleman from South Carolina is recognized for 1 hour.

Mr. HOPE. Mr. Chairman, does the Chair recognize the gentleman from Kansas for part of the time on the bill? We have some demands for time on this side of the House.

The CHAIRMAN. Under the rule, 2 hours are allowed for general debate. The gentleman from Kansas will be recognized for half of the time if the gentleman is opposed to the bill.

Mr. HOPE. The gentleman from Kansas is not opposed to the bill.

The CHAIRMAN. If no other member of the committee is opposed to the bill, the Chair will recognize the gentleman from Kansas for 1 hour. The gentleman from South Carolina is recognized for 1 hour, and the gentleman from Kansas is recognized for 1 hour.

Mr. FULMER. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, if there is any subject on which I should be really qualified to speak, that subject is cotton. I make this statement for the reason that I was born and reared on a cotton farm. I have picked cotton, I have ginned cotton, and in later years as a general merchant I have bought and sold thousands of bales of cotton. Let me preface my remarks today by saying that this is not a partisan matter. It is a matter affecting every section of the country and should be considered on the facts in connection with the purposes of the bill and what it will mean to the people of this country.

The whole matter resolves itself into a question of jute versus cotton. The purpose of the bill is to have cotton sold on a net weight basis instead of a gross weight basis which is now the policy and to set up standards of tare. By tare I mean bagging and ties used in baling cotton. At this time we are selling cotton on a gross-weight basis, and that is the reason we are using this heavy, bulky, wasteful, and disgraceful type of jute bagging in covering our cotton.

I have heard a good many Members speak about voting for or against this bill. There is only one excuse for any Member voting against this bill, and I challenge any Member of Congress who has a jute-bagging mill in his district, any member of the jute interests, or any other citizen of this country, to deny this statement—just one reason, and that is that you are interested in the manufacture of jute for the sole purpose of profit. You may say you are interested in the employees of the jute factories. I am not talking about jute in any other line except jute bagging. Perhaps there are 3,000 or 4,000 employees manufacturing jute bagging, but every employee in a jute factory is one less in a cotton factory. In the meantime the jute plants can convert their machinery into the manufacture of cotton bagging and continue to use these employees. Some Members state: "I have got to vote against the bill because I have a jute mill in my district." If you feel that way about it it is clearly up to you.

I am not quarreling with any Member who wants to vote against this bill, which means a vote against cotton farmers; that is up to him. I call attention, however, to the fact that we have in the South thousands of men, women, and children toiling and laboring in the cotton fields—and they have been all these years—while we use jute that comes from India to make this heavy type of bagging that no other country in the world uses, not even India, where jute is grown. What about cotton? Today we have 11,500,000 bales of perfectly good American cotton in the hands of the Government costing the taxpayers of this country \$45,000,000 annually for storage, interest, and other charges. In the meantime you permit to come in from India, a large cotton-growing country, a country that has taken the Japanese and other cotton markets from us, to import into this country 2,000,000,000 pounds of raw and manufactured jute.

This takes our own perfectly good American markets pounds for pound to the extent of 2,000,000 bales of American cotton. As far as I am concerned, may I say that we could get rid of the tremendous surplus we have if we could have our own markets for 5 years. However, this is a different matter we are talking about now.

I want to give some real facts and I would like to have you listen to them because I challenge any Member of Congress or any member of the jute interests to deny these facts which I am going to present to you in connection with this matter.

Mr. Chairman, this is the only cotton country in the world that sells cotton on a gross-weight basis. This is the only cotton country in the world that uses this old, heavy, wasteful, and disgraceful jute. India is the country in which this jute is produced, but India does not use this type of jute in covering her cotton. India uses a neat burlap, made out of jute, weighing, bagging and ties, 15 pounds.

I make the further statement there is not another cotton country in the world that uses over 15 pounds of bagging and ties per bale; yet in the United States, because of the practice of gross-weight sale, the farmer puts on 21 pounds. He has to have something heavy to bring the tare allowance up to the 21 pounds. I would like to have you listen to this also: After this cotton leaves the farmer, the exporters patch an additional 9 pounds before sending it across the water to foreign countries. That means a total of 30 pounds of bagging and ties, while, as stated, in every other country it is sold on a net-weight basis, using only 15 pounds tare—bagging and ties.

I make the further charge that the American bale of cotton is the most disgracefully baled of any cotton in the world, and I would like to have somebody deny that. This chart shows a picture of a bale of American cotton that was unloaded in Liverpool. Ask the Department of Agriculture if it is not getting complaints every day or two from cotton buyers and cotton manufacturers in Europe about the wasteful and disgraceful baling of American cotton. They complain about this type bagging, and especially the waste because of the type of bale that we export, and they ask why we do not do something about the proper packing of our cotton? Call on the Department of Agriculture, and they will furnish you with these complaints, certainly many of them issued recently.

I make the further charge there is not another farm product in the United States that is sold on a gross-weight basis except cotton, and it is done for only one reason; and that is for the sole purpose of the forcing of the using of this old, heavy jute bagging.

I will make the further charge that the American bale of cotton carries the highest insurance rate of any bale of cotton in the world. Why? Because of the condition of the material used in covering the American bale. I can prove to you through the Department of Agriculture that the complaints which it receives from Europe state that when a fire starts, and they have lots of them in the warehouses, the fire always originates where the American cotton is stored rather than with cotton that is stored in these warehouses received from points in Europe. Look at this

chart. There is the foreign cotton on that side, a neat package, and here is the disgraceful American cotton.

Mr. WHITTINGTON. Will the gentleman show which is the foreign cotton and which is the American cotton?

Mr. FULMER. This is the foreign cotton on this side, covered with neat bagging, and this is the American cotton, this ragged looking stuff. That is where the fire starts. We have report after report to that effect. I can show you statements of various manufacturers in foreign countries which state that they are changing from American cotton to their own cotton on account of the disgraceful type of the American bale.

Mr. ROBSION of Kentucky. I think the gentleman's speech will be more informative if he will give us a little information before he proceeds with his main argument.

Mr. FULMER. Yes.

Mr. ROBSION of Kentucky. I do not live in a cotton country and a lot of this is Greek to me. I want to get at the fundamental cause why we use this jute to cover our cotton or to bale it and they do not use that type in other countries. What does this do?

Mr. FULMER. I will be glad to answer the gentleman.

Mr. ROBSION of Kentucky. Yes, I want to find out why we have to put it up in that.

Mr. FULMER. Cotton is sold on a gross-weight basis with a 21-pound limit to the farmer and 30 pounds to the exporter. If the farmer does not put that amount on when he sells his cotton he loses whatever he fails to put on. If the exporter fails to patch on the additional 9 pounds, when they knock the 30 pounds off in foreign countries he would lose that many pounds actual cotton.

Mr. ROBSION of Kentucky. What requires the American cotton producer or seller to put it on?

Mr. FULMER. Because, as stated, cotton is sold on a gross-weight basis.

If the farmer would attempt to put on 21 pounds of ties and bagging made out of cotton, cotton bagging being higher than jute, it would cost too much, and as stated, we need only 15 pounds to properly cover a bale of cotton when sold on a net-weight basis.

This bill does not legislate against any material that can qualify under a 15-pound tare standard as proposed under this bill. In other words, it may be possible to use jute burlap, which is used in other cotton-growing countries. In that jute burlap sells for about the same price that cotton bagging would sell for, naturally, cotton farmers would use bagging made of cotton, knowing that we would consume, as stated, about 200,000 bales of our cotton.

Mr. ROBSION of Kentucky. Does the seller get paid for the jute that is put on his cotton?

Mr. FULMER. That is the point I am coming to. If the gentleman will just wait, I will explain it fully.

Mr. LUTHER A. JOHNSON. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Texas.

Mr. LUTHER A. JOHNSON. Is it not true that the reason this legislation has not been passed several years ago is that the jute industry is so well organized that it has prevented the passage of a law by which we can sell cotton on a net-weight basis.

Mr. FULMER. That is absolutely true. We are dealing with the biggest trusts in the world.

Mr. ROBSION of Kentucky. The passage of this legislation will stop the use of this 30-pound jute?

Mr. LUTHER A. JOHNSON. Unless this bill is passed cotton will continue to be wrapped in jute. The jute industry has not let us pass a law under which we can sell cotton on a net-weight basis. That is the situation. The law has to be changed so you can sell cotton upon a net-weight basis.

Mr. ROBSION of Kentucky. Is there any act of Congress under which that is done, or is it by a trade practice?

Mr. FULMER. At this time merely a trade practice which farmers cannot overcome, and that is why we need this legislation.

In Brazil, Anderson Clayton Cotton Co., of Texas, the largest cotton concern in the world, owns, I understand, 6 oil mills, and I do not know how many gins, and in every one of these gins they have high density gin compression and use 15 pounds of neat, nice, bagging, which makes a respectable bale of cotton. No wonder we are losing our foreign market.

The gentleman asked about the farmer getting paid for the bagging. One Member asked me, "Do you believe that we could explain to the farmer about not getting paid for his jute bagging?"

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield myself 5 additional minutes.

When this cotton is sold on a gross-weight basis, it includes the bagging, the ties, and the lint. It is just as if my friend the gentleman from Michigan [Mr. CRAWFORD] would sell a barrel of sugar in the wood weighing 318 pounds. The price is fixed on the net weight 300 pounds of sugar, and not on gross weight including the barrel. The barrel weighs 18 pounds, and there are 300 pounds of sugar. In gross-weight selling of cotton, where a bale weighs 500 pounds, including bagging and ties, if the farmer receives 10 cents a pound he gets \$50. You would say that he received 10 cents a pound for 21 pounds of perfectly useless bagging and ties that cannot be spun by the mill. It is thrown on the waste pile when the mill spins the cotton. Is there a man on the floor of this House that thinks manufacturers actually pay 10 cents per pound for this waste? Oh, no; that is fixed in the price.

I have here a list of numerous cotton manufacturers in this country, in Massachusetts, Maine, Rhode Island, and in the South, in every cotton manufacturing State, and they all state that they will pay the difference in price in buying on a net-weight basis. "If you pass this net-weight bill," they say, "we will pay the farmers the actual price that the lint is worth and not discount the price as in the case of gross-weight selling to take care of the bagging and ties, which, as stated, is waste."

Now, another thing. What about the saving under this bill? Take the statement of the gentleman from the Department of Agriculture, Mr. Kitchen, before the hearings in the Senate committee the other day.

Mr. Kitchen stated in using 15 pounds of bagging and ties it would mean a saving of \$6,000,000 annually in the amount of freight. Insurance and waste would add an additional six to ten million. There is anywhere from \$12,000,000 to \$20,000,000 annually coming out of the price that the cotton farmer should receive in extra freight, insurance, and waste.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield to the gentleman from Pennsylvania.

Mr. WALTER. If I correctly understand the bill we are considering, any person who after the enactment of this bill, if it is enacted, packs cotton in anything other than a cotton bag is guilty of committing a crime.

Mr. FULMER. The gentleman is mistaken. If the gentleman will refer to the report of the Secretary he will find that it plainly states this bill does not legislate against any material on the face of the earth that comes within the 15-pound tare allowance.

Mr. WALTER. The bill very specifically provides that if anyone bags or offers for sale or ships or delivers for shipment in interstate commerce cotton that is not in a cotton bag, he shall be guilty of a misdemeanor.

Mr. FULMER. Oh, no; that is not right.

Mr. WALTER. I am referring to section 8.

Mr. FULMER. Show me where that refers to cotton bagging.

Mr. WALTER. It does not state "cotton bagging" but it states "Any person who shall knowingly violate any of the provisions of this act"—

Mr. FULMER. I do not yield any further. That is the trouble with these fellows who represent the jute sections

and oppose a net-weight bill. This bill does not legislate against any materials. You can manufacture burlap from jute coming from India or you can manufacture paper if you can make paper that is strong enough to hold the cotton, but you cannot use this old, rough jute bagging that weighs more than 15 pounds including the ties.

Mr. WALTER. Mr. Chairman—

Mr. FULMER. I do not yield any further.

Mr. WALTER. But the gentleman said something a moment ago which I do not believe he meant. I am not opposed to his bill. I just want to know whether or not this bill contains a penal provision with respect to any one who violates the provisions of this act.

Mr. FULMER. It would if you did not comply with the tare standard—bagging and ties—set up by the Secretary, which should not exceed 15 pounds. If you go and use the same old, heavy bagging and try to ship it in interstate commerce, you cannot do it, because you must come under the standards set up by the Secretary of Agriculture under the provision of this bill governing same. You cannot use this old raggedy, disgraceful type of jute now being shipped all over this country at the expense of the farmers and those who produce cotton.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield myself 3 more minutes.

Mr. PEARSON. Mr. Chairman, will the gentleman yield?

Mr. FULMER. In just a minute. I hope I have made the matter clear about the farmer getting paid for his bagging. If there is a man here who believes that the farmer receives 10 cents a pound for this 3-cents-a-pound bagging, he is mistaken. In Europe last year they put up 700,000 bales of cotton in bagging made out of cotton.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. COOLEY. Is it not a fact that the farmers believe that they do get paid for all bagging and for the ties now being used in wrapping cotton?

Mr. FULMER. I will say to the gentleman that in past years a great many farmers believed that, but today you will find very few who do not know that they are being robbed, and they are wondering why they are facing eleven and a half million bales of cotton stored with the Government and another crop coming on and yet they are forced to use this heavy jute bagging.

Mr. COOLEY. The gentleman makes the statement that this is a net weight bill—

Mr. FULMER. That is right.

Mr. COOLEY. Of course, it is a net-weight bill, but it is something more than a net-weight bill.

Mr. FULMER. Not a thing except to set up standards not to exceed 15 pounds bagging and ties.

Mr. COOLEY. The gentleman could accomplish what he has in mind with respect to requiring cotton to be sold on net weight in a bill much simpler than the one we are considering by simply providing that it should be sold on net weight instead of gross weight.

Mr. FULMER. Yes; I am glad the gentleman has asked that question. The jute people, every one of them, will vote for that type of bill. Why? Because when they go to the Secretary to set up standards, the paper people may come in with a paper covering, say, 12 pounds, the gentleman comes in with cotton bagging 15 pounds, and the jute people can come in with 21 pounds, and there is no way to keep them from setting up a 21-pound standard, and therefore, because of the cheapness of this disgraceful jute compared with cotton, it would still be used and all the waste, excess insurance, freight, and other waste would continue and, as usual, would come out of the cotton farmer. Any man who is against using this type of jute should not allow himself to be fooled into voting for that type of legislation.

Mr. COOLEY. If cotton is going to be sold on a net-weight basis, does it make any difference what the packing weighs; that is, if it is going to be sold on the net weight of the cotton?

Mr. FULMER. If you want to continue to sell on a 21-pound basis, why sell on a net-weight basis, if you are going to do that?

Mr. COOLEY. The situation is just this: The farmers have been using this jute bagging for about 90 years or longer and they have been selling it on gross weight, and all the farmers in my territory believe that they are actually paid for the jute and the ties at the price for which they sell their cotton. Now, may I ask the gentleman another question?

Mr. FULMER. First, I want to reply to that statement. If the gentleman will get the report he will find that we have the backing on this bill of every farm organization in the country; every agricultural commissioner of the South, including the National Farm Council, created sometime ago; the ginners; and everybody else, except the jute interests, because they realize that throughout all these years we have been robbing the cotton farmer by compelling him to use that which has been forced upon him.

[Here the gavel fell.]

Mr. COOLEY. Mr. Chairman, will the gentleman yield himself some additional time to answer a few questions?

Mr. FULMER. Mr. Chairman, I yield myself 2 additional minutes.

Mr. COOLEY. I would like to ask the gentleman this question: If this bill is enacted into law and the farmer this fall attempts to sell his cotton wrapped in jute bagging, will not the cotton buyer, at the time of the sale, deduct the weight of the bagging and the ties and only pay the farmer for the net weight of the bale of cotton?

Mr. FULMER. Mr. Chairman, I am very glad the gentleman asked that question. As a matter of fact, this bill does not go into effect for 12 months after the bill has been passed. They will have opportunity to dispose of their cotton in that time, but suppose you still have cotton covered with old jute bagging. It could be sold on net weight, and the farmer would receive a net-weight price which would be higher than a gross-weight price, as stated by the cotton mills.

Mr. COOLEY. And when cotton is offered for sale, then the weight of the bagging and ties will be deducted from the weight of the bale of cotton.

Mr. FULMER. That is correct; but may I state to the gentleman, as the mills have stated here, they will pay the difference.

Mr. COLLINS. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. COLLINS. Do the cotton mills want this legislation?

Mr. FULMER. I have a list here, and every cotton mill in the country is in favor of this legislation for the reason that they could manufacture more cotton, and for the further reason this bill would cut out waste brought about because of this type of bagging.

Mr. PEARSON. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. PEARSON. I had this morning a telegram from the Southern Cotton Ginners Association, expressing their opposition to this measure, stating in the telegram that if it is enacted into law, it would cost the cotton producers of this country \$18,000,000 a year. I ask the gentleman if he will explain to me why the ginners express such strenuous opposition to this bill and whether or not it would in effect operate to cost the cotton producers a large amount of money rather than serve as a profit?

Mr. FULMER. During all of these years the jute people have sold through the ginners to the farmer, this jute, and they have had the ginners properly lined up against using anything except jute. The ginners recently have gone in with the National Farm Council, which is Oscar Johnson's organization; and I have a wire that for the first time out of all their meetings they have endorsed the net-weight bill. As stated to the gentleman here, and it is as plain as the nose on your face, there can be a tremendous saving because of the surplus bagging on which you pay freight all over this country and to Europe. The insurance also is the

highest in the world. Let me state to the gentleman that when the mill strips that jute off they have to pick over the whole bale, because if any fibers are left in it it will be injurious, and with a cotton bagging, they can pull it off just like you peel a banana and the cotton is ready to spin.

Mr. HOLMES. Mr. Chairman, will the gentleman yield?

Mr. FULMER. Yes.

Mr. HOLMES. Do I understand that the jute bag weighs 21 pounds?

Mr. FULMER. The farmer puts on 21 pounds bagging and ties. The bagging now weighs 12 pounds on a bale.

Mr. HOLMES. And that is that deducted from the 500 pounds in the bale?

Mr. FULMER. No; not now, because it is sold gross weight, but the price is cut to make allowance for the 21 pounds of tare.

Mr. HOLMES. And this is going to be a net-weight bill?

Mr. FULMER. Yes.

Mr. HOLMES. What difference does it make if you are going to sell 500 pounds of cotton whether you bag it up in jute or in cotton, or put it in the metal boxes, as long as you are selling 500 pounds of cotton?

Mr. FULMER. Here is the difference: If you put on the 21 pounds you are just going to pay the freight on useless tare all over the country, and the 9 pounds more which you put on for export you pay freight thereon to foreign countries. No other country in the world does this. India, where jute is produced at 16 cents a day labor, does not use this stuff; and why? Because they get less insurance, less freight, less waste.

Mr. HOLMES. The farmer does not pay that freight.

Mr. FULMER. Certainly he does.

Mr. HOLMES. F. o. b.?

Mr. FULMER. My friend, the farmer pays the freight on everything, going and coming.

Mr. MASSINGALE. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. MASSINGALE. I would like to ask the gentleman to inform the House if he knows—and I suspect he does—about how many additional bales of cotton will be required in the United States if we supplant jute bagging with cotton bagging?

Mr. FULMER. We would consume about 200,000 bales of the lowest type of cotton we have, which would tend to make a better price for the higher-grade cotton.

In closing, Mr. Chairman, I want to show you the burlap that is used in India and Russia and all these other cotton producing countries, which does not exceed 15 pounds, including the ties.

Mr. SCHAFER of Wisconsin. Will the gentleman yield?

Mr. FULMER. I yield.

Mr. SCHAFER of Wisconsin. On page 2 you define the word "cotton," and you limit it to cotton produced in the United States. Why does not this bill apply to cotton produced outside of the United States, in view of the fact that great corporations are now getting ready to ship Brazilian cotton, which can be produced cheaper, into this country?

Mr. FULMER. There has been just a little of that cotton shipped in. We are not worried about what may come—it is the losing of our foreign market.

[Applause.]

The CHAIRMAN. The time of the gentleman from South Carolina has again expired.

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from North Dakota [Mr. LEMKE].

Mr. LEMKE. Mr. Chairman, I wish to say that as a member of the Committee on Agriculture I feel that this is the only sensible bill that that committee has so far reported out of the committee. All of the other bills and all the talk I hear in that committee is how to restrict, how to destroy American agricultural wealth, and all about benefit payments for the destruction of wealth. We will all soon be on relief if we continue that policy.

Here we have a bill which provides that we give the American market to the American people. We want to produce our own bagging for cotton. If we can produce it, why should we not produce it? This bill does not say that that bagging must be cotton. If you want to raise jute in the United States with which to pack this cotton for our friends in the South, you can do it, but we object to having that jute come in from India, where it is produced by men and women who just have a piece of cloth around the middle of their bodies, and then ask the American cotton growers to compete with that kind of labor.

Now, you tell me there is no harm done by it. I will show you some of the harm. That rubbish [indicating], amounting to 70 pounds on some bales. What does that mean? It means additional railroad transportation charges. It means shipping additional charges across the ocean. Not only that; it means additional handling charges. What else does it mean? It means additional storage charges for rubbish that is thrown into the wastebasket after we import it from a foreign country to compete with our own people.

We have 11,500,000 bales of cotton on hand that we could use for our own people, or else export it on an equally competitive basis, rather than to destroy its attractiveness by wrapping it in that kind of rubbish.

Let me explain the difference between this and putting it in a nice container. It is the same as when your wife goes into a store to buy a can of tomatoes. Will she buy a can where the juice has run out all over it, that is wrapped up in an old newspaper, or will she prefer one that is put up in a nice container, a container that tells her that there is quality on the inside of the can?

Mr. WALTER. Will the gentleman yield?

Mr. LEMKE. I yield.

Mr. WALTER. Why is it necessary to have legislation to use cotton for bagging? Why can it not be done now? There is no prohibition against it.

Mr. LEMKE. For the same reason that it was necessary years ago to get Federal inspection of our meat to encourage foreign buyers and protect our own people.

Before the Federal inspection law, we were discriminated against by buyers of foreign nations, because other nations had inspection laws. We should not permit the southern farmer to be deceived and made to believe that he is being paid for this rubbish when in fact he is made to pay for extra transportation and handling charges as well as storage charges. This because a few do not wish to change existing conditions and wish to make a profit out of rubbish that is thrown into the wastebasket. But we must always protect and should always protect the farmer. We have not given sufficient protection to the farmer.

Do you know what we have in that committee of which I am a member? You have 14 Democrats and my friend Mr. PIERCE, from Oregon. Then you have a few Republicans and the rest all belong to a past age that think you are going to continue to load the farmers' backs here at home with a lot of extra charges and rubbish that he is incapable of carrying.

Mr. WALTER. I may not have understood the gentleman, but I do not think he has yet told me why cotton is not used today.

Mr. LEMKE. Because those who are furnishing this rubbish, importing it, produced by peon labor, think they must use this class of bagging—rubbish—in order to compete with cotton bagging. They think in that way they can do it a little cheaper. As has been pointed out, they have fooled the poor cotton farmer who produces cotton, that he is being paid for that extra rubbish, when, as a matter of fact it is thrown into the wastebasket. In fact, the farmer has to pay freight and railroad charges on 70 pounds of waste where he ought to pay it on only 10 pounds. Then he has to pay extra storage charges, because it takes a lot more storage space. Again, two carloads of cotton wrapped in this jute bagging could be loaded into one car if properly compressed and wrapped in proper wrapping, as provided for in this bill. Why put all of this extra burden on the shoulders of the cotton farmer?

Mr. WALTER. Mr. Chairman, will the gentleman yield?
Mr. LEMKE. I yield.

Mr. WALTER. I do not know where the cheap wages are paid, certainly not in those American factories where the jute is being processed, because I know for a fact that the men today engaged in the manufacture of jute bags are paid far in excess of any wage received by any workers anywhere in America.

Mr. LEMKE. We are not objecting to those jute factories. What we are objecting to is their shoving this kind of rubbish on the cotton producers of the South or anyone else.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield for some information?

Mr. LEMKE. I yield.

Mr. ROBSION of Kentucky. I am very much in accord with the gentleman from North Dakota that we ought to use American cotton or American production instead of Indian jute; but we have a reciprocal-trade agreement with Great Britain, including India, and we have a reciprocal-trade agreement with Brazil. Will not these reciprocal-trade agreements do cotton immeasurably more harm than this small amount of jute we are talking about?

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 1 additional minute to the gentleman from North Dakota.

Mr. LEMKE. I answer the gentleman by saying that there are at the Speaker's desk two petitions. If he will sign petition No. 5 for cost of production these trade agreements will no longer exist to the disadvantage of the American farmer. Discharge petition No. 6 relates to re-financing the farmer. I hope every Member of Congress will sign petitions 5 and 6 for cost of production, and the Frazier-Lemke refinance bill. Then we shall not need the Committee on Agriculture to help the farmers. Then they will help themselves. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Massachusetts [Mr. CLASON].

Mr. CLASON. Mr. Chairman, once again the specters of cotton and jute come before us at this session of Congress. We should remember in the first instance that the cotton people of the South have been satisfied to use this jute bagging for the past 90 years. Does it not seem strange that at this particular time they desire to change from jute bagging to some other type of covering? We must therefore look for a reason.

Mr. POAGE. Mr. Chairman, will the gentleman yield?

Mr. CLASON. Not at the present time. I have only 10 minutes.

The reason, of course, has to do with money. This bill will help one company in New Orleans, La., the Lane Co., which at the present time is receiving a subsidy of from 26 to 28 cents each for bale covers made of cotton. In other words, they cannot compete with the jute industry, so the Department of Agriculture, out of funds appropriated for the purpose of finding new ways of using cotton, is giving this company 26 to 28 cents on the cost of each covering for cotton bales. Once you start using cotton under a law requiring that cotton be used for the purpose of covering these bales and the 26- or 28-cent subsidy is removed, the southern farmer is going to get stuck with the subsidy, and he is going to get stuck with a good deal more. I say this for the reason that I have been studying the testimony of cotton farmers given before a United States Senate committee this year.

I have before me the testimony of Damon Heddon, a small cotton farmer of Tennessee who says that he lives in the largest cotton-producing section of Tennessee. At the present time he says they pay \$1.25 for bagging and ties for a bale of cotton. That is the cost of bagging and tying a bale so far as materials are concerned. In addition to that he states that he is allowed a weight of 21 or 22 pounds. Let us assume that it is 21 pounds. He is allowed 21 pounds per bale of cotton as tare. On this tare he is paid the price of the cotton. Let us assume that the price of cotton is 9 cents a pound. He is paid 9 cents for each of these 21 pounds of

jute covering, or \$1.89. What is this man's opinion? And he is a dirt farmer and knows what he is talking about. He says:

It is my opinion that under this bill before us today this farmer will not only lose the \$1.89 he has been getting for the bagging and ties, but he will also lose the \$1.25, his original investment, making a total loss of \$3.14 per bale.

This is what it would cost the cotton farmers of the South, figuring on the basis of a 10,000,000-bale crop—\$31,400,000 every year. That is what this bill will do in practice.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. NICHOLS. I wonder if the gentleman would restate those figures? He surely does not mean that the farmer is going to lose \$3.14 a bale.

Mr. CLASON. Yes; \$3.14 a bale.

Mr. NICHOLS. Does the gentleman think that the big-hearted spinners of this country who are purchasing this cotton are paying the farmers 9 cents a pound for this jute covering when jute does not bring anything like that on the open market? I presume the jute could be bought for 1 cent a pound on the open market.

Mr. CLASON. My figures are based on the fact that on the 21-pound tare the farmer is paid the rate of cotton. Assuming the price of cotton is 9 cents a pound, it would mean a loss to him of \$1.89 on the weight of the bagging and \$1.25, the cost of the bagging and ties, or \$3.14 for every bale.

I think the gentleman from North Carolina [Mr. COOLEY] hit the nail on the head when he pointed out the reason for the provisions on page 3 of this bill requiring a particular weight for the covering of the bales of cotton.

The reason, of course, is because this bill is written for the purpose of protecting the Lane Co. and others who are manufacturing cotton covering. It is not for the benefit of the farmers. If it were, you would strike out every sentence in this bill which has anything to do with stating how much weight there should be per yard for the covering.

Let us see what the situation is both here and abroad. For 90 years we have been shipping our cotton abroad with this jute bagging. Over in Europe the cotton is covered with another jute product. Over there they cover it with burlap, a much finer product. Very little cotton is covered with cotton cloth or anything made out of cotton. Practically the world over it is covered with some sort of product made from jute.

There have been some other arguments made here. It was stated, for instance, that every man who is thrown out of employment in the jute mills of America will be put to work in some cotton mill down South. Is that any kind of American argument to make? If that is the argument this bill is based on, it ought to be voted down unanimously, because any man who is now employed and has good gainful employment at high American wages, and has had such employment for years, is entitled to keep his job. You will have to give us some sort of reasoning that is not as specious as that one. Do we want to throw a man out of employment in New York City, Philadelphia, or Springfield, Mass., in order to put that man to work for the Lane Co. down in New Orleans, and pay a subsidy of 26 cents through the Department of Agriculture? That is what is back of this bill.

We are trying to sell our cotton in the foreign markets. The pending bill prevents cotton from any foreign country entering the United States. The bill was drawn having that purpose in view. It so happens that there is a small amount of cotton that comes from Egypt and other places into the United States. This bill would prevent any of that cotton from coming in here unless it happened to be baled in accordance with the United States standards, which would be very unlikely. This being so, the cotton farmer wants to ship his cotton abroad. He tells the cotton farmers and producers abroad: "You cannot ship into the United States. All cotton sold in the United States must be raised here. But we want to sell cotton in your market, Egypt, India, and elsewhere, and we want to sell there our cotton goods." How long do you think your reciprocal-trade agreements are going to stand up under any such doctrine?

If you will look at section 3 you will find that no cotton can be shipped in interstate or foreign commerce, and they have it so defined that it cannot be shipped intrastate, unless it comes up to these standards. If that is the basis, then we ought to tell the Japanese to keep their toothbrushes out of the United States; we should tell every other nation, "Do not think you can ship and send anything into the United States," because what is good for cotton is good for the producers of potatoes, oranges, sugar, or anything else. What works for one crowd should work for all the rest of us.

They tell us this is going into effect within 12 months to 2 years; that everything sold after that has to be sold in conformity to this particular United States regulation which, of course, means cotton. The Government owns at the present time 11,000,000 bales of cotton, and I think one would have to be a pretty big optimist to believe the Government will be able to get rid of those 11,000,000 bales during the next 2 years. Yet under this bill the United States Government itself has got to cover not only these 11,000,000 bales but every other bale it buys this year which happens to be covered with jute bagging. It so happens you have not got in your crop this year and you have not your standard set up. So every bale of cotton that is raised this year will be covered in all probability with the good old jute bagging you have lived with for 90 years and which the farmers have found very satisfactory. When these regulations go into effect somebody has got to pay to cover the 12,000,000 bales that you produce this year with your new standard cover before it can go into interstate commerce, unless you sell at a lower price than the market for standard covered cotton.

[Here the gavel fell.]

Mr. SCHAFER of Wisconsin. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN (Mr. O'CONNOR). That motion is not in order at this time.

Mr. HOPE. Mr. Chairman, I yield 2 minutes to the gentleman from Iowa [Mr. GILCHRIST].

Mr. GILCHRIST. Mr. Chairman, I am for the pending bill, and the Committee on Agriculture is for the pending bill, because it protects American cotton against the jute which comes from Hindu India. We are for the protection of American products, and I believe this should be extended to American agricultural products as well as manufactured products. The American market belongs to the American farmer. That is the first reason I am for the bill.

I am for the bill also because it leads to honesty and fairness in commercial markets. Mr. Chairman, when you or someone else from Montana buys whisky, he knows exactly how much is in that bottle, because it must be stated on the label. When you go over and buy bread you know exactly how much bread is in the loaf. It is the net weight that counts. For us to know just how much we are getting when we buy anything can do no harm. For us to know net weight in a bale of cotton can surely do no harm. Let the package show how much it weighs.

I am for it on another ground. I like to buy things in nice packages. For example, I like to buy my neckties and suspenders wrapped very nicely and neatly. This appeals to my aesthetic sense. I like to buy candy and perfume the same way. You Democratic gentlemen on the other side of the aisle always like your wives and sweethearts wrapped in nice packages.

Mr. Chairman, joking aside, we ought to protect American industry and American products.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from North Carolina [Mr. COOLEY].

Mr. COOLEY. Mr. Chairman, it is with great reluctance that I rise in opposition to this bill. The author of this measure, the distinguished gentleman from South Carolina [Mr. FULMER], is a very dear friend of mine, and I know that he is sincerely interested in this measure. I also know that in his heart he believes that this measure will be of great benefit to the cotton farmers of the country. I have been a member of the House Committee on Agriculture during my

entire service as a Member of Congress. From time to time the measure before us has been considered by our committee. If I were convinced that this bill would materially benefit the cotton farmers of this country I would not hesitate to give it my support, but I have not been so convinced.

I feel that I am in a position to view this matter rather impartially. I have a large constituency of cotton farmers. Cotton is one of the principal cash crops of my district. I have in my district a jute factory which employs from 500 to 600 men in the manufacture of jute bagging. Not being convinced that this measure will bring substantial benefit to the cotton farmers of the Nation, I do not feel that I would be justified in casting a vote the effect of which would be to close the jute factory, throw five or six hundred of my constituents out of jobs, completely destroy the business of the employers of these men, and visit great financial loss upon the entire community in which the manufacturing plant is located. With cotton farmers and workers in a jute manufacturing plant in my district, I have given this matter careful and serious thought and at all times have tried to consider it fairly and impartially.

In discussing this measure my distinguished friend from South Carolina has emphasized the net-weight features of the bill, but he has placed more emphasis upon other provisions of the measure and other entirely extraneous matters, and has actually beclouded the real questions involved. He refers to the bill as "the net-weight bill," hoping, of course, to sell this Committee on the idea that selling by net weight is preferable to selling by gross weight. If this were, in fact, a net-weight bill and nothing more, I should be very glad to support it; but even then, coming from a cotton district, it would probably be difficult for me to explain to the cotton farmers, who have for more than a hundred years sold their cotton on a gross-weight basis, just why the change was considered desirable.

The situation is just this: All through the years cotton farmers have sold their cotton on a gross-weight basis, and when a cotton farmer carries his cotton to market, wrapped in heavy jute bagging, it is weighed, and he is paid the prevailing market price for that cotton, including the bagging and ties, and no deduction whatever is made on account of the type of bagging used. The bagging and ties are weighed just as if they were cotton. Whether or not the farmer is actually paid for the bagging and ties, he feels and believes that he is being paid for them. If this bill is enacted, the weight of the bagging and ties will be deducted from the gross weight of the bale of cotton, and the farmer will believe, whether it is true or not, that this act is depriving him of something which he has heretofore received. I am not aware of any interest in this measure on the part of farmers in my district. Although I have been a Member of Congress since 1934, I do not now recall having received a single letter from a farmer in my district asking me to vote for this bill. On the other hand, I have received numerous letters and telegrams from those engaged in the cotton trade in opposition to the measure.

The gentleman from South Carolina in discussing this measure has had a lot to say about high-density gins. There is not one word in this bill about high-density gins, and discussion of high-density gins is entirely extraneous. My friend from South Carolina has exhibited a picture of American cotton and foreign cotton. The picture evidently was taken in a foreign country. I believe he stated that the picture was taken in Liverpool. He failed to call attention to the fact that the bales of American cotton shown in the picture had reached the end of their journey and had been cut for sampling on all sides. Buyers of cotton do not rely upon samples drawn by other buyers. Each buyer rips the bale open and draws his own sample and after a bale of cotton has exchanged hands a number of times the bagging is pretty well sliced to pieces. Neither did my friend call attention to the fact that the American cotton in the picture, after having been cut many times for sampling, had been placed in a high-density compress and pressed into about one-half of its original size. Of course, the American

cotton appears to be a very ragged package under such circumstances, especially when placed by the side of foreign cotton neatly wrapped in burlap bagging which has never been cut for sampling and probably never is cut for sampling as is the case in this country. I suppose that the person who took the picture for my friend would naturally have selected the most ragged looking bale of American cotton he could possibly find as he would be anxious to accentuate the difference in appearance. The truth is that when American cotton comes from the gin wrapped in jute bagging it is not a disgraceful looking package. It is, in fact, a very neat looking package. But after the cotton buyers take their knives from their pockets and slice it from one end to the other, cutting the jute bagging all to pieces, the bale, of course, looks ragged. If American cotton were wrapped in cotton bagging and then knifed from one end to the other by cotton buyers in this country, when it reached Liverpool I doubt if the package would have a much better appearance than cotton which is wrapped in jute. The truth is, jute bagging is much stronger than cotton bagging.

We are not just dealing with a net-weight bill, as I have heretofore pointed out. The fact is, and I am sure that the gentleman from South Carolina will have to admit, that the real purpose of this bill and the paramount purpose he has in mind is to outlaw this heavy-weight jute bagging. The bill does not in any way guarantee or give any assurance that American cotton will hereafter be wrapped in cotton bagging. Suppose we outlaw this heavy-weight jute bagging, what would be the result? Suppose we pass this bill and close the mill in my district and in Congressman Darden's district, and other jute mills in this country, what will then be the situation? In the first place, we will add to the army of the unemployed and to the relief rolls of the Nation. We will, for all intents and purposes, actually confiscate by making useless the machinery now installed in these mills in different sections of the country. At the same time American cotton will not be wrapped in bagging made of American cotton, but will be wrapped in burlap bagging, which is made of jute which comes from the same source that this heavy-weight bagging comes from.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield for a brief question.

Mr. PACE. Does not the gentleman know that the jute plant in his district at almost nominal cost can change its machinery to manufacture cotton bagging instead of jute bagging and that it will not throw anybody out of work?

Mr. COOLEY. I know quite to the contrary. I understand that all the machinery in the jute mill in my district is made and designed to make this heavy jute bagging and that the machinery cannot be used for any other purpose. The owners of the mill tell me that the machinery would have to be junked in the event of the passage of this measure.

If we could write a provision in this bill which would require the selling of American cotton on a net-weight basis and a provision which would require that every bale of American cotton be wrapped in bagging made of American cotton it would appear that such a measure would be beneficial to cotton farmers only to the extent that it would provide a new use for American cotton which would result in depleting the surplus now on hand. I understand that even if the entire crop of American cotton were wrapped in cotton bagging it would take only 150,000 or 200,000 bales to do the job the first year. The second year the cotton bagging would be re-processed and the amount of cotton required would be around 40,000 to 50,000 bales annually after the first year.

Mr. ROBSION of Kentucky. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Kentucky.

Mr. ROBSION of Kentucky. How can the Government sell these 12,000,000 bales of cotton to foreign countries with jute around them if this bill is passed?

Mr. COOLEY. If the cotton is not disposed of until after the effective date of the bill I understand that it will be a violation of the law to sell it if it is wrapped in jute bagging.

Mr. FULMER. As a matter of fact, the gentleman's statement is not correct. Every bale of that cotton that is baled now or hereafter or between now and the time the bill goes into effect with that jute bagging on it would be sold either at gross or net weight.

Mr. COOLEY. What are you going to do about the provision which provides that no covering shall exceed 14 ounces per square yard?

Mr. FULMER. Hereafter every bale will have to have that.

Mr. COOLEY. But the bill does not say that.

Mr. FULMER. Yes it does.

Mr. COOLEY. If I understood the gentleman correctly, he stated that when this bill became law it would be unlawful to sell a bale of cotton wrapped in any bagging which exceeded in weight 14 ounces per square yard and this heavy jute bagging certainly exceeds 14 ounces.

Mr. FULMER. If placed in a cotton gin after this bill goes into effect but if it is now in this country—

Mr. COOLEY. But the gentleman from Kentucky [Mr. ROSSON] pointed out the situation that might exist if the Government failed to dispose of the stock on hand and failed to dispose of the current crop and asks whether or not this bill would be applicable to that cotton which might be sold after the effective date.

Mr. POAGE. Will the gentleman yield?

Mr. COOLEY. I yield to the gentleman from Texas.

Mr. POAGE. If the gentleman will refer to the language of the bill at the bottom of page 3 and at the top of page 4 he will find that the measure makes it unlawful for any person to ship or deliver for shipment in interstate or foreign commerce any bale of cotton ginned after the effective date of the United States official cotton tare standards on which the bagging and ties or patches do not conform with such United States official cotton tare standards.

Mr. COOLEY. After the effective date.

Mr. POAGE. The present cotton crop was not ginned before the effective date.

Mr. COOLEY. But the situation still might exist that the Government might have a loan on cotton grown in the current year.

Mr. POAGE. But it could not have been ginned after the effective date.

Mr. SCHAFER of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield.

Mr. SCHAFER of Wisconsin. On page 2 why should the word "cotton" apply only to cotton produced in America? You are going to permit foreign cotton to be shipped in these ragged jute bags if you pass this bill.

Mr. COOLEY. I do not know that there is anything in the bill to prohibit that.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 5 additional minutes.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to my distinguished friend from Georgia.

Mr. PACE. Does the gentleman know of a single bale of cotton on which the United States Government has a loan that has not been ginned?

Mr. COOLEY. Certainly not. The question is absurd and answers itself.

Mr. PACE. Why does the gentleman say then that we could not sell the loan cotton, when this bill does not apply to a bale of cotton that has heretofore been ginned?

Mr. COOLEY. I did not say that. I said any cotton wrapped in jute bagging which might be on hand after the effective date of this act—it would be unlawful to sell it.

Mr. PACE. The gentleman does not contend that now?

Mr. COOLEY. And then the gentleman from Texas [Mr. POAGE] called my attention to the fact that this is applicable only to cotton ginned after the effective date of the act.

Mr. PACE. But the gentleman did not retract his statement made to the gentleman from Kentucky.

Mr. COOLEY. Well, I will retract it now, if that will please the gentleman from Georgia.

Mr. MARCANTONIO. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. I yield to the gentleman.

Mr. MARCANTONIO. Does the gentleman know whether or not there is any plant or any section of the country that is exclusively manufacturing these cotton bags; in other words, if this bill is passed, will it favor any particular group or any particular section of the country?

Mr. COOLEY. Some gentleman has stated there is a manufacturer of cotton bagging in this country, but I do not know where that plant is located. I think the suggestion was made that it was in New Orleans.

Mr. MARCANTONIO. So they would practically have at the very beginning a business exclusive to themselves?

Mr. COOLEY. Not necessarily for cotton bagging, no; because, as I stated before, and I think the gentleman from South Carolina will agree, a burlap bagging of the same weight as the cotton bagging can be manufactured much cheaper than the cotton bagging can be manufactured. The point I am trying to make is that I honestly believe the bill will not do what the gentleman from South Carolina thinks it will do.

Mr. MARCANTONIO. My point is this, that the moment this bill becomes a law and goes into effect, the business of covering these bales of cotton would immediately go to this place that manufactures these cotton bags now?

Mr. COOLEY. To manufacturers of cotton bagging, and perhaps burlap bagging, which may hereafter be manufactured but in the meantime it would absolutely outlaw the heavy jute bagging.

Mr. BROOKS. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes.

Mr. BROOKS. The gentleman knows that there are lots of places in this country that can manufacture cotton bagging.

Mr. COOLEY. Certainly.

Mr. BROOKS. And it would not give a monopoly to anyone?

Mr. COOLEY. Certainly not. I did not mean to suggest that.

Mr. CLASON. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes.

Mr. CLASON. If we have bales of cotton, some wrapped in jute, contrary to the then existing law, and some wrapped according to the then existing law, the bales of cotton owned by the Government and wrapped contrary to law, will not bring as much in the market as the new type?

Mr. COOLEY. According to the argument of the author of this bill, that is correct.

Mr. TERRY. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes.

Mr. TERRY. Does the gentleman know whether or not that cotton bagging is a patented article?

Mr. COOLEY. I do not suppose that it is.

Mr. TERRY. Is it not a fact that any factory can manufacture the cotton bagging?

Mr. COOLEY. Oh, there is no argument about that. Anybody that owns the machinery and can get the cotton can manufacture cotton bagging, but I say that I do not believe cotton bagging will be used. Further, the Department of Agriculture is now subsidizing the manufacture of cotton bagging and when they do that they are taking business from the manufacturers of other types of bagging.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes.

Mr. RICH. Does the gentleman know what additional cost it will require for any manufacturer making jute bags to transform his factory and manufacture cotton bags? What part of his machinery would have to be exchanged for other machinery?

Mr. COOLEY. They tell me the entire machinery will have to be thrown aside, that they cannot use the machinery

now used in manufacturing heavy jute bagging to manufacture either burlap or cotton bagging.

Mr. RICH. Is it possible for them to mix the cotton and the jute in their manufacture?

Mr. COOLEY. I cannot answer that.

Mr. MANSFIELD. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes.

Mr. MANSFIELD. How many bales of cotton would be required to furnish the necessary cotton bagging?

Mr. COOLEY. If all of the American cotton were wrapped in cotton bagging, the estimates run from 150,000 to 200,000 bales of cotton for the first year, but the fact remains that even though 150,000 to 200,000 bales are required the first year, after that that cotton would be reprocessed and remanufactured into bagging and be used again, and they tell us, that the second or the third year, only from 30,000 to 40,000 bales of cotton would be used if the entire American cotton crop were wrapped in cotton bagging; but no one denies the fact that burlap bagging can be purchased even now, with cotton selling at the present price, at a much cheaper price than can cotton bagging be purchased, and so the net result of this bill will be, as I see it, to force the use of burlap bagging, which is likewise an imported article, and it will not force the use of cotton bagging. I have several communications here in respect to this matter, which I shall include as a part of my remarks under unanimous consent to extend and include them, and they are as follows:

—
TENNESSEE COTTON GINNERS ASSOCIATION,
Jackson, Tenn., June 7, 1939.

HON. HAROLD D. COOLEY,
House Office Building, Washington, D. C.

DEAR HONORABLE COOLEY: At the annual convention of the Tennessee Cotton Ginnners Association held here in Jackson, Monday, May 29, our resolution, which we are enclosing you, condemns what is known as the net weight cotton bill. This resolution was adopted without any opposition.

We urge you to use your influence in defeating this bill, as the resolution sets out the views of four-hundred-and-fifty-odd cotton ginnners in the State of Tennessee.

The bill is known as the Fulmer net-weight bill, H. R. 57.

Thanking you for your attention to this matter, I am,

Yours very truly,

CARL WILLIAMS, Secretary.

Whereas we the ginnners of Tennessee assembled in annual convention this 29th day of May 1939 can see no good that will come to the ginnners or producers of cotton from the so-called net-weight bill; and

Whereas in the long run the added cost will fall on the back of the ginner; and

Whereas this net-weight bill will not cause the use of any material amount of cotton the first year and little raw material the succeeding year: Be it

Resolved, That the Tennessee Cotton Ginnners Association condemn this bill because no good will come from it, and it will cause a loss of \$18,000,000 to the farmers per year.

JOHN E. ROBERTS, Memphis,
E. H. FRANCISCO, Huntingdon,
R. R. TIPTON, Tiptonville,
Committee.

MURPHY, N. C., June 6, 1939.

HAROLD D. COOLEY,
Member of Congress:

Am asking you to please oppose the Fulmer net-weight bill, as it would be very injurious to the southern cotton farmer, and result in the use of light-weight, foreign-made burlap, and cost of farmers the cotton price of 22 pounds of tare. Trust you vote against.

Dr. F. V. TAYLOR,
President, North Carolina Ginnners Association.

LAURINBURG, N. C., June 6, 1939.

Congressman HAROLD D. COOLEY,
Washington, D. C.:

Understand Fulmer net-weight bill hearing scheduled for Wednesday. Feel bill detrimental to cotton farmers. Would appreciate your vigorous opposition.

E. H. EVANS.

ROCKY MOUNT, N. C., June 6, 1939.

HON. HAROLD D. COOLEY,
United States House of Representatives:

We urgently request you oppose H. R. 57, Fulmer net weight cotton bill when it is brought up for vote probably tomorrow. We

believe it will really hurt our cotton farmers rather than help them. Letter follows.

PLANTERS COTTON OIL & FERTILIZER CO.

HENDERSON, N. C., June 6, 1939.

HON. HAROLD D. COOLEY,
Washington, D. C.:

Fulmer bill, H. R. 57, for vote in House Wednesday: Passage this bill would destroy our business and jobs of our 500 employees. Bill intended to foster use cotton bagging by limiting weight of tare. Real result would be to cause use of light-weight foreign burlap, which is within specifications of bill and half the price cotton bagging. Would destroy established American industry in favor of foreign burlap manufacturers.

CAROLINA BAGGING CO.

SELMA, N. C., June 6, 1939.

HON. HAROLD D. COOLEY, M. C.:

May we ask you please vote against House bill 57?

PINE LEVEL OIL MILL,
Pine Level, N. C.

HENDERSON, N. C., June 6, 1939.

Congressman HAROLD D. COOLEY:

Many thanks for your telegram. Am wiring all North Carolina Congressmen, urging opposition to bill. Passage would be fatal to Carolina Bagging Co. and is of utmost concern to this entire community. Hope that we have your cooperation in opposition to this measure.

BENNETT H. PERRY.

HENDERSON, N. C., June 6, 1939.

HON. HAROLD D. COOLEY,

House of Representatives, Washington, D. C.

DEAR MR. COOLEY: Thank you very much for your wire, stating that Chairman JONES had advised you that the Fulmer bill, H. R. 57, would be brought up in the House on Wednesday.

We wired you this morning, as we did all other North Carolina Representatives, pointing out that passage of this bill would destroy our business as well as the jobs of our 500 employees. Such destruction would, also, apply to many other similar businesses located in the South.

You will also note that we again called attention to the important fact that while the bill is intended to bring about the use of cotton bagging through limiting the weight of tare, this result would not be accomplished. Light-weight burlap, which meets tare specifications of bill, made exclusively in foreign countries, would be substituted because it is far cheaper than cotton bagging. The business of covering the American crop would, therefore, be taken away from American manufacturers such as ourselves and given to foreign manufacturers and foreign labor. In view of these facts we hope you will oppose this bill.

With sincere regards,

Yours very truly,

CAROLINA BAGGING CO.,
E. F. PARHAM, President.

PLANTERS COTTON OIL & FERTILIZER CO.,
Rocky Mount, N. C., June 6, 1939.

HON. HAROLD D. COOLEY,

House Office Building, Washington, D. C.

DEAR MR. COOLEY: We wired you this afternoon as follows:

"We urgently request you oppose H. R. 57, Fulmer net-weight cotton bill, when it is brought up for vote, probably tomorrow. We believe it will really hurt our cotton farmers rather than help them. Letter follows."

At the present time the average bale of cotton in our section has 12 pounds of jute bagging on same and is sold on a gross weight, whereas cotton bagging only weighs 4½ pounds to a pattern, or a difference of 7½ pounds between the two weights of bagging in question. The cost to the farmer in our section for jute bagging and ties is \$1 per bale, and this difference in weight, as it now stands, at the present price of cotton, pays for all of the bagging the farmer uses. The cost of ties in either case will be the same.

After the first year this cotton bagging will be reworked and used again as covering for cotton, thereby reducing the actual number of bales each year consumed in this channel to a minimum. As we understand it, the Government will have to continue to subsidize the producer of the cotton bagging in order to make it reasonable enough in price to be used to cover cotton. If H. R. 57 becomes a law, it is mandatory that cotton covering be used; and if the Government then discontinues the subsidy to the producers of cotton bagging, the cost of covering for our lint cotton will then double. In other words, it will act as a boomerang.

We sincerely trust that you will use every effort to oppose this bill. With all good wishes and kind personal regards from the writer, we beg to remain,

Yours very truly,

R. S. OLIVER, Sales Manager.

It seems to me that it is plain, when you consider that this bill requires that bagging shall weigh a certain number of ounces per yard, an effort is being made to regulate the use of bagging, with the idea of either forcing the use of a certain type or excluding the use of a certain other type.

It is perfectly plain that the purpose is to exclude the use of any jute bagging, which the farmers have used throughout the years.

The CHAIRMAN. The time of the gentleman from North Carolina has again expired.

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Oklahoma [Mr. NICHOLS].

Mr. NICHOLS. Mr. Chairman, I am frank to state to the committee that I do not know exactly what the result of the passage of this legislation would be, but if I understand the aim of the bill, whether or not that aim is accomplished, it is to make it desirable and make it necessary that cotton bagging be used to wrap cotton bales. In the name of common sense, what cotton farmer, what Member of Congress representing a cotton district, what American citizen, as a matter of fact, who must be interested in one of our largest export products, can say that he would not support a piece of legislation the purpose of which is to provide that cotton should be wrapped in cotton? Is there a man on this floor who can tell me in any degree of seriousness that that would hurt the American cotton farmer? Of course not. If it were possible to put up every commodity produced in the United States, and package that commodity in its own self, it would simply increase the domestic consumption as well as the foreign consumption of that commodity. What is wrong with that? I do not want to see the jute mills close, but there are only about 12,000,000 bales of cotton produced in the United States; and that is a liberal estimate. Certainly my friends from the jute manufacturing centers of the United States will not tell me that those jute mills are surviving upon the production of jute to wrap 12,000,000 bales of cotton of the character of that in which cotton bales are wrapped. I am ready to agree that it might affect it some, but I know of no jute mills which manufacture simply this material and no other jute products. I have been laboring under the impression that twine string and other strings, cords, burlap, and the like were produced in the jute mills of this country. Some of my friends would have you think that to pass this devastating law, the purpose of which is to increase the consumption of cotton in the United States, a commodity that everyone admits now is in excess production in this country, would close down the jute mills of this country. It would do no such thing.

Mr. PATRICK. Mr. Chairman, will the gentleman yield?

Mr. NICHOLS. I yield briefly.

Mr. PATRICK. I want to vote for everything that will help the cotton farmer. As I understood Mr. COOLEY, he stated that if this law goes through it will not help increase the sale of cotton.

Mr. NICHOLS. Well, I do not know. My distinguished friend [Mr. COOLEY] is afraid that this will not help the cotton farmer. Is he afraid it will hurt him? No one will say that it will hurt the cotton farmer. Now, you have to vote against this bill upon some other premise than that. It would not increase the use of jute in the United States, would it? Certainly not. The worst that can happen is that it will increase the consumption of cotton if a single cotton bag is put on a bale of cotton that is now covered by jute. [Applause.]

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. MILLS].

Mr. MILLS of Louisiana. Mr. Chairman, I take the floor at this time not with the intention of trying to persuade any of you to vote for this bill or against it, but I want to give you the advantage of my experience and observations as a cotton farmer.

I want to call attention to one point that you have overlooked, and that is when I haul a bale of cotton to the market, I might think I am receiving payment for 21 pounds of jute. In fact, that is not so. I will tell you why it is not so. The cotton mills know specifically when they get ready to buy cotton, that they are buying net weight. Therefore, a 500-pound bale of cotton at 8 cents a pound will bring \$40. When you subtract 21 pounds, which is allowed the cotton producer, and 9 pounds which it allowed to the man who transports it, or a total of 30 pounds, you have a net weight

of 470 pounds. Divide 470 pounds into \$40 makes the cotton worth 8.3 cents a pound. In other words, the price of cotton is based upon actually what the cotton buyer is receiving in net weight.

Mr. FULMER. Will the gentleman yield?

Mr. MILLS of Louisiana. I yield.

Mr. FULMER. When the price is made by the cotton manufacturers in this country, the price is discounted to take care of the surplus that is not put on in any other country in the world. In the foreign price they apply the average price to take care of the cotton instead of paying for this bagging.

Mr. MILLS of Louisiana. I thank the gentleman for his contribution. He is exactly correct.

I want it to be well understood that I am a cotton farmer and I am speaking for the cotton farmer, therefore I believe the American farmer is entitled to the American market.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. MILLS of Louisiana. I yield.

Mr. RICH. As I understand it the English manufacturers pay for the net weight. Does this not apply to the American manufacturers also?

Mr. MILLS. That is correct.

Mr. RICH. He pays for the net weight also?

Mr. MILLS of Louisiana. Yes.

Mr. COOLEY. If the gentleman will yield, does not the gentleman understand that even though this bill becomes a law that it will be much cheaper to use jute burlap in wrapping American cotton than it would be to use cotton bagging even at the present cheap price for cotton?

Mr. MILLS of Louisiana. I am not certain on that point. I will be happy to have the gentleman from South Carolina answer that question.

Mr. FULMER. I may state to the gentleman that if he will call up the Department of Agriculture and ask for the facts with reference to the use of jute burlap on a competitive basis with cotton, and find out the advantages to be gained from the use of the light cotton covering in place of the heavy jute, he would come to the conclusion that on a competitive basis cotton would be used instead of burlap.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. MILLS of Louisiana. I yield.

Mr. COOLEY. May I ask the gentleman from South Carolina a question?

Mr. FULMER. Yes.

Mr. COOLEY. Is it not a fact that the Department of Agriculture is now spending thousands of dollars and perhaps hundreds of thousands of dollars trying to put cotton into competition with burlap bagging?

Mr. FULMER. No. It is simply because we are selling on the gross weight, and you cannot put on a light weight covering and sell on the gross weight basis.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 1 additional minute to the gentleman from Louisiana.

Mr. WALTER. Mr. Chairman, will the gentleman yield?

Mr. MILLS of Louisiana. I yield.

Mr. WALTER. I am in receipt of a telegram from some people who are interested in American cotton, from which I want to read this statement:

We are firmly of the opinion that if the method of selling raw cotton is changed from gross weight to net weight it will result in imposing a costly burden on American cotton growers due to very slight likelihood of the grower ever receiving a higher price for his cotton sold on net-weight basis as compared with price he would receive on gross-weight basis.

Mr. MILLS of Louisiana. That is exactly the point I am trying to bring out at this particular time, as I am afraid many Members are laboring under a misapprehension of the subject.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. LUTHER A. JOHNSON].

Mr. LUTHER A. JOHNSON. Mr. Chairman, I believe if all the Members of the House lived in the South where cotton is grown and knew how it is handled, it would not be necessary

to speak in behalf of this bill. For many, many years—in fact, so long as I can remember—jute has been used as a wrapper of cotton bales; and the jute industry is the most highly organized of all industries. It has opposed vigorously and aggressively legislation calculated to cause cotton bales to be wrapped in cotton fabric rather than jute.

The cotton farmers for a great many years were fooled because of the fact that the farmers were led to believe that they were paid for this additional weight of jute. They were, therefore, opposed to legislation that would permit them to wrap their cotton in anything but jute, but they have now been disillusioned. In this connection I want to read a letter from the president of the largest agricultural college in the world, which is located in my district, Mr. T. O. Walton, president of the Agricultural and Mechanical College of Texas, in support of this bill:

Why the farmers of the South have not insisted long ago that the practice of charging 30 pounds tare against each bale of cotton should be discontinued has puzzled me through the years. The only explanation which I can find that is at all satisfactory is that they believe they are getting paid the full amount for the bagging and ties and, since they do not know definitely what happened in the dark, they have not made a great row about this injustice that has been imposed upon them through the years.

Any effort that you may make which will result in stopping this practice which is unfair to the cotton producer of the entire South will be an effort in the interest of a good cause and one that will make every cotton farmer your debtor. I think the bill should be pressed vigorously and hope that every southern Congressman and Senator will assist you in securing its passage.

The Federal Government is spending large sums to discover new uses for cotton and this bill will help to solve in a practical and simple way, at least in part, this problem. Surely the cotton farmers of the South should be permitted and encouraged to wrap cotton in cotton instead of jute imported from India, and thereby consume annually at least 200,000 bales of cotton.

Mr. FULMER. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia [Mr. DARDEN].

Mr. DARDEN. Mr. Chairman, there is a good deal of difference of opinion on this legislation. I was very much interested in the statement of the gentleman from North Carolina [Mr. COOLEY], because I thought he made a clear and fair analysis of this bill. Since many Members are asking for time, I shall be as brief as possible.

Mr. Chairman, my own situation is rather peculiar. Within my district are located three plants engaged in the manufacture of jute bagging. Their pay rolls amount to something less than \$700,000 a year, and they employ several hundred people in this work. The net result of this legislation will be to shut down these plants.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. DARDEN. I yield.

Mr. PACE. Does not the gentleman know that all three of the plants in his district are not engaged solely in the manufacture of jute products but manufacture cotton products also?

Mr. DARDEN. As to that, I can only say that they advise me that such is not the case. I am not personally acquainted with their operations; consequently, I must rely on what they tell me.

Mr. PACE. Is not one of those the Ludlow Manufacturing Co.?

Mr. DARDEN. No; not to my knowledge.

Mr. RICH. Will the gentleman yield?

Mr. DARDEN. I yield to the gentleman from Pennsylvania.

Mr. RICH. Does the gentleman have any idea what it will cost the plants in his district to change over from the manufacture of jute to the manufacture of cotton?

Mr. DARDEN. No, I do not. I could not give the gentleman any accurate figures on that.

Mr. RICH. Their plants and buildings would be satisfactory, of course. It would be just a question of change in machinery, would it not?

Mr. DARDEN. Yes; just a question of the machinery.

Mr. RICH. This bill, as I understand it, will allow at least 1 year after the bill is passed so that those changes may be made?

Mr. DARDEN. Yes; I think it does so provide.

Mr. NICHOLS. Will the gentleman yield?

Mr. DARDEN. I yield to the gentleman from Oklahoma.

Mr. NICHOLS. Do the plants and factories in the gentleman's district manufacture any jute products besides jute bagging that covers cotton bales?

Mr. DARDEN. I do not think so, but I am not sure.

Mr. NICHOLS. If they manufactured anything else besides that particular jute bagging, then they would not have to close because that is the only thing affected by this bill.

Mr. DARDEN. That is true; but I do not think that is the case. I believe their total operations are confined to the manufacture of jute bagging. There used to be a good deal of compressing done down there. There used to be an export market there, but we have lost it to a very great extent.

Mr. NICHOLS. The gentleman understands there are only 12,000,000 of those bags used annually in the United States?

Mr. DARDEN. Yes; but there are only 12 to 14 plants engaged in that industry in this country. There is a total pay roll involved of approximately \$4,000,000 that will be lost.

Mr. RICH. How much of a pay roll is there?

Mr. DARDEN. About \$4,000,000 in the country, I understand.

Mr. RICH. Can the gentleman find out what would be the actual necessary expense of changing over this machinery?

Mr. WALTER. If the gentleman will yield, I can answer the gentleman from Pennsylvania [Mr. RICH]. I have been advised by one of the manufacturers it would not pay them to expend the amount necessary to make the change in their machinery.

Mr. RICH. Why not?

Mr. FULMER. Will the gentleman yield?

Mr. DARDEN. I yield to the gentleman from South Carolina.

Mr. FULMER. May I say to the gentleman that I recently received a letter stating that the bagging mill in that particular section would be in position to almost overnight change its machinery so that it could manufacture cotton bagging, and I am also advised that it would cost very little to do this.

Mr. DARDEN. Here is the thing to which we ought to give consideration: It is true that cotton at the present very low price level might be on a competitive basis with burlap, but there is not a Member of the House who does not look forward and hope for a materially better price for cotton because the South cannot exist under the present price that we are receiving for cotton. Should that take place, there is no doubt but what burlap then would have a decided advantage over cotton as a wrapping and would replace it in operations such as this.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. DARDEN. Mr. Chairman, the result would be that we have closed these plants that are now operating in certain sections of the country without having benefited the farmers engaged in the production of cotton.

Mr. SOUTH. Will the gentleman yield?

Mr. DARDEN. I yield to the gentleman from Texas.

Mr. SOUTH. It is very evident, is it not, that the price of cotton will not increase materially unless our surplus is worked down, and this is one of the means by which that surplus may be reduced? The gentleman will concede both of those points?

Mr. DARDEN. Yes. We must also give consideration to another point which has been raised this afternoon. The argument has been made in the consideration of this measure

that we should close our doors to the foreign products. Cotton depends in the end upon our sales abroad. It would seem unwise to advocate any plan which would tend to interfere with the sale of cotton to other countries.

Mr. SOUTH. That is true, but this bill does not propose to do that.

Mr. DARDEN. No; but the argument has been advanced in defense of this bill that that is what should be done. As a matter of fact, the farmer is not going to receive an extra dollar for his cotton as a result of this legislation. That has been pointed out already by Mr. COOLEY.

Mr. COOLEY. Did the gentleman mean to say to the gentleman from Texas that this bill would result in a substantial amount of cotton being used?

Mr. DARDEN. No. I say it will result probably in an additional use for cotton in the immediate future. Once cotton rises in price, I do not think it will be used because it will be supplanted by burlap.

Mr. CLASON. As a matter of fact, this bill does prevent cotton from any other country entering the United States.

Mr. DARDEN. Yes; but I do not think that is a major point, and I do not think the author of the bill would insist on that, although I do not know. As I stated, I do not think that is a major point.

Mr. CLASON. But it backs up the gentleman's statement that if you commence closing our market to the other fellow they will close theirs to us.

Mr. DARDEN. Yes; that is unquestionably true.

Mr. NICHOLS. The gentleman points out that if cotton gets too high in price probably burlap could compete with the cotton bagging and would probably be used. Does not the gentleman agree with me that the cotton farmers and cotton-producing sections of the United States could well afford to pay more money for a cotton bagging to wrap a cotton bale in than for the burlap bagging?

Mr. DARDEN. Unquestionably that is true, but the gentleman knows as well as I do that they are not going to pay a premium if they can buy another bagging at a cheaper price. They will purchase the material which serves their purpose at the best possible price.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi [Mr. WHITTINGTON.]

Mr. WHITTINGTON. Mr. Chairman, it is well known among cotton growers and cotton merchants that the tare evil is most expensive to the cotton growers, and results in very great disadvantage as well to the producers of cotton. It has been suggested that this evil should be remedied by the cotton trade. It might as well be argued that there was no necessity for the regulation of the wheat exchanges and the cotton exchanges as to argue that the cotton trade is going to remedy this evil. It is just as essential to pass legislation to remedy this evil as it was to pass legislation to remedy the evil resulting from the operation of the cotton, corn, and wheat exchanges.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I prefer completing my statement first. That is not altogether my view. Probably the largest cotton merchant in the world is W. L. Clayton, and he has answered the question. He states, as shown by page 6 of the report of the committee, and I quote:

The cotton trade has been seeking for many years to bring about the necessary reform in the tare evil but has made practically no progress in doing so.

He stated that only legislation could solve the problem, and that the pending bill should accomplish the purpose.

Thus says one of the largest cotton merchants of the world.

The Department of Agriculture favors the enactment of this bill. The Cotton Growers Cooperative Association of North Carolina favors the enactment of this bill, as disclosed by the report of the committee. The American Cotton Cooperative Association favors the enactment of this bill. Suppose it does require the readjustment of a few factories and a few thousand workers. It is admitted it will

provide for 150,000 to 200,000 bales of cotton. The Congress of the United States has appropriated millions of dollars in an effort to provide new uses for cotton and other agricultural products.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I shall be pleased to yield as soon as I have completed my statement. The gentleman had 15 minutes and I have only 5 minutes.

The pending bill is probably the best avenue immediately available to increase the new uses of cotton. The Department of Agriculture, the cotton associations, the cotton merchants, and the cotton mills say that legislation of this character is essential if this tare evil is to be remedied. I wish to say in this connection that as a cotton grower I know the influences behind the ginners. I know the influences behind the cotton merchants who have asked us to oppose this bill. But first and last, as a cotton grower and as a cotton ginner, I tell you that the jute influences that have been able for all these 90 years to prevent a tariff on jute, and the jute influences, well organized, that have been able to influence the cotton trade and the exchanges in the cotton trade, are undertaking to prevent the passage of this bill. So, in my judgment, even though it does require a readjustment in a few jute factories, we should think of the thousands and tens of thousands of families in the Southland that will be provided for if this legislation is passed.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. WHITTINGTON. I shall be pleased to yield in just a moment.

Under the system that obtains the tare means this: in the domestic market the farmer generally receives credit for 21 pounds tare, around 16 pounds for bagging and 5 pounds for ties. If that cotton is sold on the net weight, as foreign cotton is sold, you can very readily understand that it will provide additional uses of cotton. Now, jute is cheaper than cotton. There is no denying that, but I want to call your attention to the fact that when cotton is cheapest often jute is highest, because if there is one monopoly more strongly entrenched than any other in the United States, it is the jute monopoly. When cotton in 1937 and in 1925 and in 1926 went down because of excessive crops, the price of jute went up, inasmuch as growers could not change bagging during the cotton season in the ginning of the crops. If cotton is sold on a net-weight basis, I believe, Mr. Chairman, that in the long run it will provide for a better price to the grower. I respectfully submit, Mr. Chairman, that those who favor the promotion of agriculture and the promotion of cotton and increasing the use of cotton and other agricultural products should support this bill. [Applause.]

Under the leave to extend, I reply briefly to some of the arguments in opposition to the pending bill.

It is said that jute bagging has been used by cotton growers for 90 years and that it should be continued. This argument would retard progress and prevent advancement. Inventions would never be made. The status quo would always be maintained.

It is stated that jute mills provide for domestic labor. The machinery in these mills could be changed, burlap could be manufactured, or the plants might be utilized for the manufacture of cotton. But there is another side to the picture. Exports of cotton are declining. There is less domestic consumption. Workers in the cotton fields of the South are being denied the privilege of working. It would be better to provide for 10,000 workers in the cotton fields rather than 100 workers in the jute factories.

Attention is called to the fact that the Government has 11,000,000 bales of cotton and that it could not be sold in interstate commerce under the provisions of the bill. When pressed, the gentleman from North Carolina [Mr. COOLEY], an opponent of the bill, admitted he had overlooked the provisions of the bill. Section 3 provides that only cotton ginned after the effective date of the act cannot be sold in commerce. This objection is captious; it is like other objections to the bill. It falls of its own weight.

It is asserted that there is nothing in the hearings to show that cotton bagging would weigh around 14 ounces per square yard. As stated by the gentleman from South Carolina [Mr. FULMER] the hearings disclosed that cotton bagging weighing not to exceed 14 ounces per square yard is substantial. There is a reason, therefore, for limiting the maximum weight of any fabric under section 2 of the bill. At the same time there is no discrimination between cotton and other products. Burlap may be used, but jute will not be used. If the maximum-weight provision of section 2 is eliminated, it would invalidate the bill. Jute would continue to be used. It weighs more and costs less than cotton. The tenant and the grower would be inclined to buy the cheaper fabric to wrap his cotton in, but over a period of years, the use of cotton bagging would be of benefit to the cotton grower.

The method of baling and handling American cotton causes great loss to American cotton growers. The tare evil is a real one. American cotton is the poorest packed commodity in world trade, and hence is at a great disadvantage in competition with the well-packed cotton of foreign countries. The cotton trade might remedy the situation but as disclosed by the hearings, and as I have stated, the cotton trade has made practically no progress in making the necessary reforms. They have made no more progress in reforming the tare evil than they have in reforming the exchanges. It was necessary for Congress to pass legislation to regulate exchanges; it is equally necessary for Congress to pass legislation for net weights in cotton.

The tare evil results from the fact that in domestic commerce the seller is allowed a tare of 21 pounds and in foreign commerce he is allowed a tare of 30 pounds per bale. The use of jute for 90 years is easily explained. Jute is ordinarily cheaper than cotton; at least it was formerly the case. Two-pound bagging sold during the last year at around 11 cents. Ordinary cotton sold at around 8 cents. With the decline in the price of cotton, bagging costs more than cotton. When cotton was 20 cents or 25 cents a pound there was a small profit to the grower by his being allowed a tare of 21 pounds, but when the cotton buyer, the warehouseman, and the exporter get through cutting and sampling the bale of cotton not much wrapping remains, and the cotton becomes easily damaged by dust and other foreign substances. There is an economic loss. There is damage to the grade; the temporary advantage is more than offset by the permanent disadvantage.

Congress has established an experimental ginning laboratory. The appearance of a bale of American cotton when it reaches the average American mill and when it reaches foreign warehouses is a disgrace. The staple is injured and the loss ultimately falls upon the producer.

Not only thoughtful cotton producers, but cotton associations and cotton cooperative associations, including the Texas Cooperative Council, the American Cooperative Association, the North Carolina Cotton Growers, cotton mills, and cotton shippers favor the adoption of the legislation.

The Department of Agriculture reports favorably on the bill and recommends its passage. Net-weight selling would provide an incentive to prevent wasteful practices inherent in the present gross-weight system and would reduce marketing costs.

It is unthinkable that Congress would appropriate millions of dollars to provide laboratories to promote new uses of cotton and other agricultural products and then reject the only sound provision that has been immediately suggested to promote new uses of cotton.

The Bureau of Agricultural Economics reports that approximately 200,000 bales of low-grade cotton would be placed on a competitive basis with jute, burlap, and other materials which might be developed.

The bill does not prevent the using of any bale covering that meets the requirements of the United States tare standards.

The present tare evils and the use of jute bagging increases fire hazards. Fire insurance marine rates are higher because of the disreputable jute bagging. It weighs more.

The transportation of the bale, therefore, costs more. The proposed bill will eliminate waste, reduce insurance and freight charges, and there will be an economic saving of large amounts annually to the producer, the shipper, and the manufacturer.

The Committee on Agriculture has repeatedly reported the bill favorably. It will result in simplification of trade practices; it will eliminate the costs of tares; it will eliminate unfair price competition; it will eliminate much of the controversy between buyer and seller as to weights. There will be the sales advantage of a neater package. The second-hand value of the bagging will probably be five or six times that of jute.

The passage of the bill will promote a good cause; it will ultimately make the cotton growers the debtors of all those who support it. The interests of the cotton growers of the entire South will be promoted.

It will take time to make the necessary adjustments, and it will take time for the ginners and merchants to dispose of their stocks of jute bagging. The bill provides that it shall not become effective until a year after its passage. I will favor any reasonable amendment to postpone the time of the operation of the bill until ginners, merchants, and others dispose of their stocks of bagging. I believe that the passage of the bill will contribute to real and effective practical relief for cotton growers.

[Here the gavel fell.]

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentleman from Wisconsin [Mr. SCHAFER].

Mr. SCHAFER of Wisconsin. Mr. Chairman, a great many Members of this body were greatly surprised to hear the protective tariff speech delivered by our distinguished Democratic colleague who has just left the well of the House. Our colleagues from the cotton-producing States advocate the passage of this bill in order to use a few thousand bales of cotton to replace jute bagging. The benefit to cotton producers will be infinitesimal. If the Members of Congress from the cotton States are desirous of helping our American cotton producers they should join with our Republican Members and stop the Secretary of the Treasury, Mr. Morgenthau, from opening up the American taxpayers' treasury to the South American dictator countries and giving them handouts of millions of dollars through the Export-Import Bank.

The statistics show that during 6 years of our so-called New Deal our American cotton export market has decreased over 50 percent. During these 6 years the cotton exported by these South American dictatorship countries, which have received New Deal hand-outs of many million dollars from the American taxpayers' Treasury, have greatly increased.

Mr. Chairman, in view of the fact that the New Deal administration has adopted the Hull free-trade doctrine of tariff and the friendly neighbor hand-out policy of Morgenthau, I wonder what Mr. Hull will say when he finds the New Deal Members of Congress advocating the passage of the pending bill on protective tariff grounds in direct opposition to the antiprotective tariff position on which the reciprocal-trade agreements are based.

Mr. Chairman, this pending bill, and the speeches made in its behalf, are contrary to the Hull theory of free trade as embodied in the New Deal trade agreements.

I am a protective tariff advocate. I am sick and tired, however, of voting for tariff protection for products raised below the Mason and Dixon line and then listening in and out of Congress to demagogic speeches about the iniquities of protective tariff, by those who asked for high protective tariffs to protect the industries of their States.

Mr. Chairman, the gentleman from Mississippi [Mr. WHITTINGTON] and other proponents of this bill have made some fine protective-tariff speeches in its behalf. I sincerely hope that they will continue to support the principle of protective tariff and join with the minority to repeal the Hull reciprocal free-trade agreements, which are inimical to the interests of the agricultural and industrial producers of America. [Applause.]

Mr. HOPE. Mr. Chairman, I yield 5 minutes to the gentleman from Texas [Mr. POAGE].

Mr. POAGE. Mr. Chairman, I have felt we ought to give just a little more consideration to the answer to the question that somebody raised here a little while ago that if the farmer is not actually getting payment in the price of his cotton for the tare under the present system, why do we continue the policy of wrapping cotton in this sort of stuff in the South? The reason, I think, is very evident.

For many years the farmer of the South has supposed he was being paid at the same price for this jute that he was being paid for his cotton, but when one stops and analyzes that he is bound to realize that the man who buys that bale of cotton, whether he be in Liverpool or whether it be an American mill, is only buying cotton. The American miller or the English miller is only interested in buying cotton and is not going to pay 8 cents a pound for this jute stuff. So when a bale of cotton reaches the mill, if the mill pays \$40, the farmer considers that he has received \$40 for a 500-pound bale of cotton, but that bale of cotton has 30 pounds of bagging and ties on it. The mill gives \$40 for the bale and that figures 8 cents a pound for a 500-pound bale, but the mill did not give 8 cents a pound for this jute bagging you see here. It had no use for that at any price. The mill gave 8.33 1/3 cents for 470 pounds of cotton. That is what the mill paid for and that is the basis on which every manufacturer buys cotton. That is the basis on which payment is made—at 8.33 cents per pound for 470 pounds of cotton, with nothing in the world for this other stuff. The farmer thought he was getting paid for 500 pounds at 8 cents. He actually got paid 8.33 cents for 470 pounds of cotton, and that is all that he got. Now, who makes a profit, then, other than the jute interests? The original weight of the bale included only 21 pounds of tare, but when that cotton was sold on the Dallas Cotton Exchange the rules of that exchange allowed 22 pounds of tare—a profit of a few cents to a cotton buyer. When it was sold on the New York Exchange the rules of that Exchange allowed 25 pounds of tare—an additional profit to some trader—and when it was exported the export rules allowed 30 pounds of tare—and some cotton exporter made half a dollar per bale, but the farmer did not make any profit on any of that.

Mr. NICHOLS. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. NICHOLS. Is it not a fact that the ginner who originally purchased the cotton and paid for the first 21 pounds of tare, makes up his loss by adding it to the price that he charges the farmer for ginning the cotton?

Mr. POAGE. Absolutely; the farmer pays for the whole thing.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. POAGE. I yield.

Mr. SOUTH. Is it not absolutely ridiculous to say that the farmer gets paid for the jute? If that were the custom which it is not, it could and would readily be changed. Does the gentleman know of anyone who would have the audacity to try to make that kind of argument stand up here except this monopoly which is selling jute in this country?

Mr. POAGE. I cannot conceive of anybody who would undertake to argue it except those interested in selling this stuff—jute.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. POAGE. Yes.

Mr. COOLEY. I suppose the gentleman heard my statement to the effect that I had no objection to a net-weight bill.

Mr. POAGE. That is correct.

Mr. COOLEY. The gentleman has spent a great deal of time talking about the net-weight features of the bill. I ask the gentleman if he is not more interested in eliminating the use of certain bags, and regulating the type generally than he is in the net-weight features of the bill?

Mr. POAGE. I say to the gentleman frankly that I am more interested in the use of cotton than I am in the net-weight features of the bill, because, as I calculate it there can be a saving made to the southern cotton farmer of about

33 points on his pound of cotton by reason of the net weight, but by reason of the use of approximately 200,000 bales of cotton, and that is what the Bureau Agriculture Economics suggests would be added to our cotton consumption by using cotton bagging, we will probably increase the value of the entire cotton crop by about half a cent on each pound of cotton, so that you will have a profit by reason of increasing the value of the entire cotton crop by about \$30,000,000 per year or nearly twice as much increase as we have reason to expect as a result of the net-weight trading. Therefore while I am interested in the net weight, I am interested in it to the extent of probably \$15,000,000, but I am interested in the increase in the price of cotton by the use of 200,000 additional bales of cotton to the extent of some \$30,000,000 per year and therefore, I confess, I am more interested in the matter of that profit than in the net-weight features of the bill.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. FULMER. The surplus freight paid on this heavy bagging amounts to \$6,000,000 a year.

Mr. POAGE. That is correct, but the unfortunate thing about the whole matter is that the farmer cannot see the losses that he continues to sustain for the benefit—they are so indirect and so well concealed that, like the tariff, they pass unnoticed, and by the same token it is going to be hard for the average farmer to see the tangible benefit of this bill after it is passed—especially with the propaganda of the jute people trying to mislead him.

Mr. HOPE. Mr. Chairman, I yield 3 minutes to the gentleman from Oregon [Mr. PIERCE].

Mr. PIERCE of Oregon. Mr. Chairman, I am a wheat farmer from the Pacific Northwest, and I am in favor of this bill because I believe it is a move in the right direction, using American cotton to replace foreign jute. If Europe insists upon committing suicide on the field of battle, it may be in the near future that more and more we will have to legislate in this hall for protection of the American farmer, by giving him exclusive right to the American markets. More thoroughly than ever am I convinced that the American market is not only for the American industrialist, but is also for the American farmer. In the Pacific Northwest we sack millions of bushels of wheat and barley in this jute. I am not interested in the raisers of jute. They buy no cotton, they buy no wheat. There is no reciprocal trade with those people who produce jute. Why should this market be given over to them when we can use home-grown cotton?

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. PIERCE of Oregon. Yes.

Mr. RICH. So far as dealing with foreign countries is concerned, does the gentleman not believe that the price has more to do with selling to foreign buyers than any particular trade agreement or matter of friendship that may exist. When people buy things today they buy quality for the least price that they have to pay for it.

Mr. PIERCE of Oregon. There is no doubt about that, but my interest in this bill arises from the fact that it creates a market for an American farm product, and everything that may be said for jute should be swept aside when we learn that here is a market for 200,000 bales of cotton. That is the argument.

Mr. FULMER. Mr. Chairman, I yield 8 minutes to the gentleman from Georgia [Mr. PACE].

Mr. HOPE. Mr. Chairman, I yield 10 minutes to the gentleman from Georgia [Mr. PACE].

Mr. PACE. Mr. Chairman, I shall be very grateful for your close attention. It may be possible for me to help you better understand the pending bill. I have planted cotton, I have plowed cotton, I have picked cotton. I have worked in the gin, I have worked in the compress, and I live among people whose hope is in cotton. I wish you knew the condition of the cotton farmer of the South. I wish you knew how earnestly we want to help him. You have missed the mark on this bill for some reason.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PACE. Not now. There are only two reasons why this bill should be enacted.

Let me say before I mention those reasons, that this bill does not prohibit the use of jute bagging.

Mr. COOLEY. Will the gentleman yield right there?

Mr. PACE. Of course.

Mr. COOLEY. Why would it not be a good idea to write a provision in here, which I will support, which will require the wrapping of every American bale of cotton in cotton wrapping? Will the gentleman support that sort of an amendment?

Mr. PACE. Of course I would, but such a provision would in my opinion be unconstitutional.

The bill does not prohibit the use of jute bagging, and I say to you sincerely that it will not necessarily cause the loss of employment of a single employee of a jute plant. If those people wanted to do so, they could make this jute bagging of lighter weight right now. They do not do so, it appears, because they want the farmer to believe he is being paid for this heavy bagging.

There are two reasons that justify the passage of this bill. One is to reduce the weight of a bale of cotton and thereby save freight charges. Unfortunately the cotton producer has not anything to do with the price he receives for his cotton. Cotton is a world commodity, as you know, and the man who buys cotton pays not what the producer should receive, but he pays according to what he can receive for his finished product. Therefore, if he must pay freight on an extra 5 or 10 pounds, he naturally must figure that into the cost he pays for the good lint cotton that he buys.

The other reason that justifies this bill is one that has not been mentioned at all. That is, that this jute, through the weeks and months that it is moved about, comes loose on a bale of cotton. Many, many, many times have I seen a bale of cotton covered with this jute fiber off of the bagging.

I wrote probably the biggest user of cotton in the United States. I said:

When you buy cotton now, the farmer thinks you are paying him for that jute bagging. I want you to write me and tell me whether or not you do.

I want you to listen to his reply:

We buy raw lint cotton, figuring on obtaining therefrom a certain percentage of clean cotton. In calculating this percentage of clean cotton, we treat the bagging and ties just as we treat the leaf, dirt, and short fibers that we take out in our cleaning machinery. Depending on the class of goods that we make, we figure on obtaining from 75 to 90 pounds of finished goods from every 100 pounds of raw cotton, just as it comes to us in the bale. As a consequence, to obtain the price of clean cotton in figuring on our selling price, we divide the price of raw cotton by a figure from 75 to 90. This divisor takes care of the loss in the bagging and ties. If we had a lower percentage of bagging and ties, we, of course, would get a higher percentage of clean cotton and the raw cotton would be more valuable to us, so, in the long run, the farmer pays for the heavier jute bagging.

That is from one of the biggest buyers of cotton in the entire United States. What they do when they receive a bale of cotton is this: They have combs and they go over it and strip it. Every single particle in the bale that has this little piece of jute in it has to be stripped away, and when they have finished stripping a bale of cotton there is from 25 to 100 pounds of waste on the floor. Now, you gentleman are good businessmen. You have common sense enough to know that that is all deducted from the price they pay the farmer for his cotton.

We are simply asking here that the sale of cotton be on a net-weight basis, and we are hoping—and that is all it is, a hope—that we can go to the farmer and convince him that he is not being paid anything for that heavy jute. The Jute Trust representative comes by and tells him that he is, but we can say, "You are not being paid anything for that. If you use this light cotton bagging made from your own cotton it will do two things. It will not only increase the use of your own commodity, but it will give you a price for from 25 to 50 pounds additional lint in the bale." If this cotton

bagging should ravel, in fact, it does not to any consequence—but if it should ravel a little and mix with the lint cotton, no damage has been done; no combing is necessary.

I think we should be fair with all interests as we go along. There are many people in this country, ginner, warehousemen, and jute manufacturers who have a supply of jute bagging on hand. I think they should be taken care of. This bill provides now that the new standards shall not go into effect until 12 months from the time the bill is approved. I do not believe that is long enough. I propose to offer an amendment making the effective date of this act January 1, 1941. Then there will be 12 months after that before the order setting up the new standards will be enforced, or about 2½ years before this law, if enacted, would be in operation. Within that time there is not a jute plant—the one in my district, the one in your district—that will not be able to adjust its business to the point where they can begin manufacturing cotton bagging out of an American commodity just as today they are manufacturing jute bagging out of a commodity produced yonder in far away India. If we give them this much time I believe we are treating them fairly. I believe there is not a cotton farmer in the South who does not want to be fair; but I know they are begging, I know they are appealing for the cooperation of the Congress that they may compete in the world market.

In conclusion let me read to you from a confidential report made of an investigation of the foreign mills. I cannot read it all because it is confidential, but I do read a portion of it. This is with reference to an investigation made in England.

The cheap and unkempt condition and appearance of American cotton bales is a standing indictment of the American method. Egyptian, Indian, Brazilian, Peruvian, East and West African, Belgian Congo, and most other foreign bales present a pronounced contrast in appearance when compared with American bales. These foreign bales are completely covered with a first-class quality lightweight bagging.

This, gentlemen, is the only nation that at this hour is still in the hands of one of the most powerful lobbies on earth, the Jute Trust.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. COOLEY. Is the gentleman in position to tell us whether or not foreign cotton is packed in cotton bagging or burlap bagging?

Mr. PACE. I am inclined to the belief that it is sampled at the gin—which we should do. Then it is wrapped in burlap or cotton bagging and is never touched until it is opened on the floor of the mill.

Mr. COOLEY. That is right; and the pictures exhibited to this House present the American bale of cotton after it has been cut all to pieces by the cotton buyer, whereas the foreign bale of cotton is never touched. Is not that true?

Mr. PACE. Yes; and I hope the gentleman will support a companion bill to this which would require the sampling of cotton to be done at the gin so that the bale covering need not be cut and so that we can really compete with foreign producers. Mr. Chairman, the competition from Brazil has gotten serious. American money has gone to Brazil to produce cotton. They have high-pressure gins and modern methods down there. Very soon, unless we get some help, we will be compelled to turn to raising cattle, to the dairy business, and to other crops now produced in other sections of the country. The cotton farmer cannot long continue to produce cotton and sell it for less than the cost of production.

Mr. FULMER. Mr. Chairman, will the gentleman yield further?

Mr. PACE. I yield.

Mr. FULMER. Answering the gentleman from North Carolina, I may state that is one of the reasons we have strong opposition to this bill; because when we get net weight naturally this will lead to high-density gin compression thereby sacrificing additional millions.

Mr. BATES of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. BATES of Massachusetts. The gentleman seems to be predicating his statement on the ground of competition we are going to have from Brazil and other countries.

Mr. PACE. Not going to have, that we are already suffering.

Mr. BATES of Massachusetts. Then is the gentleman's position the same on other products, especially manufactured products? In other words is he opposed to the tremendous influx of foreign manufactured goods?

Mr. PACE. I have repeatedly made the statement on this floor and in my district that I for one believe that the American farmer is entitled to the American market; and I want him to have it. [Applause.]

Mr. BATES of Massachusetts. The gentleman is speaking of the American farmer. I am heartily in accord with the gentleman insofar as the American farmer is concerned, but what about the American manufacturer?

Mr. PACE. It is my understanding that the American manufacturer is pretty well protected at this time.

Mr. BATES of Massachusetts. Is he protected under the reciprocal-trade agreements against the competition of European manufactured goods made by cheap labor, goods which are flooding our markets? Are not the American manufacturers entitled to the American market?

Mr. PACE. I appreciate the gentleman's viewpoint.

Mr. BATES of Massachusetts. What is the gentleman's viewpoint about that?

Mr. PACE. That is a very big subject, the reciprocal-trade policy, to discuss in such a short time. Suppose we do that later. I may add that I wish to protect the American laborer as well as the American farmer.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. SOUTH. I am in entire accord with the gentleman's argument, but I am astonished that the gentleman would stand on the floor of the House and say in effect that he is opposed to the importation into this country of anything that can be manufactured or produced here, for the gentleman must know that the minute America adopts that policy her export market will be stopped. The gentleman knows further that practically that very thing did happen a few years ago. The only way we can find a market for our surplus commodities is to buy some of the surplus commodities of other countries.

Mr. PACE. I regret that the gentleman and I are not in full accord. But as long as the manufacturer is protected, and the farmer is made to bear the burden of that protection, then I think the farmer should be given equal protection on his products. We should all be treated the same.

Mr. BRADLEY of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. PACE. I yield.

Mr. BRADLEY of Pennsylvania. I do not know whether I understood the gentleman correctly, but if I did I would like to be satisfied as to the accuracy of the statement. Did I understand the gentleman to say that, due to combing, a bale of cotton loses 100 pounds?

Mr. PACE. The total loss sometimes runs as high as 100 pounds.

Mr. BRADLEY of Pennsylvania. I think that is not quite accurate, for 100 pounds is a great deal to lose out of a 500-pound bale.

Mr. PACE. What I intended to say was that the entire tare against the bale of cotton, that includes the bagging, ties, and combings—that the entire tare against the bale of cotton has frequently, and does frequently, range from 50 to 100 pounds.

Mr. BRADLEY of Pennsylvania. The gentleman says "frequently." I am asking the gentleman what it is, on the average. I am not from the South, and am not intimately acquainted with the details of the cotton business, but I do have some knowledge of it. When the gentleman asks me to believe a bale cotton weighing 500 pounds has an average tare of 25 to 30 pounds to begin with, then loses 100 pounds in combing, I do not think that is true.

Mr. PACE. I do not want the gentleman to think so.

Mr. BRADLEY of Pennsylvania. I know differently.

Mr. PACE. I should probably have been more precise and said that frequently the entire tare on a bale of cotton will range from 50 to 100 pounds.

Mr. BRADLEY of Pennsylvania. That is different.

Mr. RICH. Will the gentleman yield?

Mr. PACE. I yield to the gentleman from Pennsylvania.

Mr. RICH. I am quite surprised at the gentleman and his answer to the question asked by the gentleman from Massachusetts. The gentleman asked whether you are for the protection of the American farmer, and you admitted you were.

Mr. PACE. That does not require an admission.

Mr. RICH. I am for the protection of the American farmer, the American laborer, and the American manufacturer. I think every red-blooded American ought to be in favor of all the people of America regardless of what their vocation might be.

Mr. PACE. I appreciate the gentleman's enthusiasm. I do not know what the future holds in store for us. We maintain the highest standard of living in the world. We are all proud of it and want to keep it that. It has not been so difficult in the past, because we had large undeveloped areas and enormous natural resources. But now most of our territory is settled and our resources are being rapidly exhausted. It was suggested here a few moments ago that we must buy cheaply produced and cheaply made products from the rest of the world so that they will buy our expensively produced and expensively made products. How long can we do that? How long can we admit and compete with cheap foreign labor and maintain our high standard of living?

Sooner than we now think we may be faced with the issue of either closing our ports to foreign goods or substantially reducing our cost of production. Some claim we may be saved that decision because, they say, Americans are the most efficient people on earth, and through mass production, our unit cost can be kept low. But already Japan and Germany are approaching if not matching our efficiency, and at this hour there are hundreds of American experts in the employ of foreign countries, in Russia, in France, in Brazil, in Chile, in Argentina, and elsewhere, teaching their people mass production and efficiency. In addition there are millions and millions of American dollars, backed by American genius and American efficiency, being invested in those foreign countries, to manufacture goods and produce crops and develop resources for competition with American goods and crops. Millions of American money is in Brazil today producing cotton in competition with the South.

I am no isolationist, but as I look into the future I seem to see a road that will not ride as smooth for us as we have traveled the last 150 years. With a small population, vast territory and enormous resources, we have wasted our substance and enjoyed a land of plenty with little thought of the future. But sooner or later, and soon I fear, we will come to a fork in the road and the selection of the better way is going to require all of the intelligence and patriotism of that great Nation.

This Nation was once referred to as half slave and half free, and it was claimed that a nation so divided could not stand. That situation was changed so far as personal freedom was concerned. But today the economic condition of the greater part of our farming population is as bad as slavery, or worse. They live in want and must compete with cheap, forced labor in foreign lands, while another portion of our people live in the economic security of a protective tariff wall. Can a nation prosper when so divided? Is not the southern cotton farmer entitled to the same protection against the cheap labor in the jute fields of India as is the eastern shoe manufacturer against the low wages of Europe?

For my part, I shall never ask for more than equal treatment; for my part, I shall never be satisfied with less.

Mr. FULMER. Mr. Chairman, I yield the balance of my time to the gentleman from Mississippi [Mr. DOXEY].

Mr. DOXEY. Mr. Chairman, it is evident that to close this debate with only 5 minutes remaining for debate one

can only touch the high spots, so to speak. May I say, Mr. Chairman, that we will never see cotton sold on a net-weight basis, nor will we ever see cotton wrapped in anything but this jute bagging unless the Congress legislates regarding it. Why? Because you know as well as I do that the trade practice and the jute interests are so strong that ever since cotton has been a commodity it has been wrapped in jute. Some of you Members of Congress do not remember possibly the old hand-power gin or the gin that was drawn with a mule, but they ginned cotton in those days and they used the same wrapping and packing that they do today—this foreign product, jute, from India. With all the serious handicaps that cotton is laboring under today, we should be in favor of putting cotton in the best package and in the most salable manner possible in order to better sell our cotton abroad and use cotton wherever possible and reduce the great surplus we have on hand, even if it costs a little extra money or some inconvenience to the jute interests, because we have to sell this cotton at home and abroad; we have to get rid of the surplus, and that is one of the purposes of this bill. I wish I had time to discuss the bill section by section. For years the House Committee on Agriculture has given a lot of thought and time to this proposition.

Mr. Chairman, the purpose of this bill is twofold: First, it is to get the bale wrapped in a package that will sell, compete, and compare with every other bale of cotton of any foreign country. In other words, to standardize the covering for baled cotton. We have the best product in the world so far as the cotton itself is concerned, but we have the worst-looking package in the world and the most uneconomic package which enters into world commerce from any country, thereby making the domestic and marine insurance against our American cotton practically twice as high as similar rates applied to Egyptian or Indian cotton bales. The second purpose of this bill is to provide for the use of net weights in interstate and foreign commerce transactions in cotton.

I have been a member of the Agriculture Committee of the House for 10 years, and the gentleman from South Carolina [Mr. FULMER] has introduced this bill in every session of Congress to my own personal knowledge for the last 10 years. We would bring it out of the House Agriculture Committee, but we could not get a rule to bring it to the floor of the House for a vote. We could not get it up here on the floor of the House for consideration and if we did get it up for consideration, it was filibustered to death. That is the record of this net-weight cotton bill for the last 10 years in this House.

Mr. Chairman, from the discussion had on the floor today, there are only two classes of people who can be legitimately against this bill, and they of course have that right. One is the class of people who may be interested in the jute interests and the other is the class of people who think the farmer will not be benefited by this legislation. Some of my colleagues from the South have stated to me that they have received telegrams from cotton ginners and other people and organizations stating that the farmer will lose through this legislation.

We all know this is a selfish world. The ginners buy their bagging and ties from the wholesaler and of course he buys them from the jute manufacturer, and of course there is a middleman who also must make his commission. The ginner places his order in the spring to sell to the farmer in the fall when he gins his cotton. That ginner naturally is going to make a profit on his bagging and ties and he includes it in the ginning of his cotton. The farmer pays anywhere from \$3 to \$5 a bale for ginning his cotton. However, the farmers are waking up to the situation now. When the farmer is given 8¼ cents for his cotton, he thinks he is also getting one-fourth cent for the bagging and ties. He has been made to think that all along. Why? Because of the activity in this regard on the part of the people who are interested in the jute industry.

I do not deny that they have their factories geared up to manufacture jute, but I say that all the jute factories, as you may think from the speeches of some of the gentlemen here today, are not in the East. There are a number of them in the South. No one wants to put people out of work, but if we can use 200,000 bales of cotton, which will be taken out of this surplus on hand, by using a cotton wrapping instead of this foreign jute, it will be a distinct advantage to American-grown cotton and therefore benefit the cotton farmer. We all know how strong the jute industry is. I was here when the Smoot-Hawley tariff bill was enacted into law and the jute people were so strong that even the Republicans who were then in power would not put a tariff on jute. It comes in here free of duty, competing with our own cotton. I wish I had time to reply to the speech made by the gentleman from Wisconsin when he talked about private interests and American-made goods for American people. You know, lip service is easy, but when you come to doing the right thing through your votes here this afternoon, you should vote for this bill regardless on what side of the aisle you are. This bill is not only constructive, it is not only in the interest of the cotton farmer, but it is in the interest of the unemployed. The cotton people of the South do not want to take unnecessarily any benefit from anyone, but if we can use 200,000 bales of cotton to wrap our own cotton with each year, that means that forty or fifty thousand people who are engaged in the production of cotton in the South will be given a livelihood. It means the first step in the right direction, inasmuch as we have been talking about finding new uses for cotton. No one on either side of the aisle will deny that we should find more uses for cotton. However, this is the first piece of legislation you have had an opportunity to vote on that specifically provides for new and additional uses for cotton. I say this bill should pass and I hope it will not be filibustered under the 5-minute rule. Watch and be on your guard, friends of the cotton South. Anything can happen. We have worked a long time to get a vote on this cotton net-weight bill, and I trust we can pass it here this afternoon. It has been a long, hard fight. [Applause.]

[Here the gavel fell.]

The CHAIRMAN. All time has expired. The Clerk will read.

The Clerk read as follows:

Be it enacted, etc., That this act shall be known by the short title of "Cotton Net Weight Act."

The word "person," wherever used in this act, shall be construed to import the plural or singular, as the case demands, and shall include individuals, associations, partnerships, and corporations.

The words "in interstate or foreign commerce," wherever used in this act, shall be construed to mean from any State, Territory, or District to or through any other State, Territory, or District or to or through any foreign country, or within any Territory or District.

The words "bale covering" shall be construed to mean bagging, ties, and patches.

The word "cotton" shall be construed to mean cotton of any variety produced within the continental United States, including linters.

When considering and enforcing the provisions of this act, the omission or failure of any official, agent, or other person acting for or employed by any association, partnership, or corporation within the scope of his employment or office shall in every case also be deemed the act, omission, or failure of such association, partnership, or corporation, as well as that of the person.

Mr. RICH. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I intended to offer the following amendment:

On page 3, line 5, strike out "1 year" and insert "18 months."

However, I understand the gentleman from Georgia intends to offer that amendment, so I shall not do so.

I wish to say I am a woolen manufacturer. When we buy wool we buy it net, we do not buy tare. I cannot conceive of an American cotton manufacturer buying cotton and adding the tare to it and paying full price for the tare as well as cotton. He buys the cotton net.

The question we are confronted here with today is just this: Are we Americans for America or for some foreign country? I am not in sympathy with American manufacturers or American businessmen who take their money and go to some foreign country and try to develop a business and send their products back here and then expect us to think they ought to regulate and make the laws so that they will receive the benefit and that our American people will not be taken care of but that the American people will support them and their business. I am for an American tariff from Maine to California and from Michigan to Louisiana that protects all our people. I can see no way in which we can help the American people more than by trying to take care of the cotton farmer at this time as well as all farmers—beet and cane sugar, wheat, oats, and hay. Let me say here that we have had the most cockeyed legislation in regard to the cotton farmer in the last 4 or 5 years that I have ever seen in all my life. You can thank the New Deal and the Bankhead Cotton Act for wrecking the southern cotton farmer. It is responsible for that and do not let anyone tell you different.

You have lost our cotton markets in foreign countries and you will never get them back, so there is only one thing for us to do; that is, settle down and try to use our wits and our brains and business ability in attempting to help solve the cotton problem. If we do not help the cotton farmer, he is going to wreck our northern farmers, because he will produce the same crops our northern farmers grow.

Now, what do we have to do? I say to you that if we give 18 months to the American manufacturer to get his plants in shape so he will not lose any but the least amount of money in changing over his plant, he ought to be very thankful that he can start in then to use American cotton to put on bales of American cotton so our American cotton bale will look just as good as a foreign bale. An American bale of cotton is certainly a horrible thing to look at now, and no manufacturer wants to look at it very long. Nothing attractive or inviting about it.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. RICH. I yield.

Mr. FULMER. In connection with the statement the gentleman made a few moments ago with respect to American businessmen setting up plants in foreign countries. I may say that Ludlow in a city in India has a number of manufacturing plants that are flooding this country. He has prevented the Republican Party from putting a tariff on this commodity, and the Democrats could not get anywhere with it if they wanted to.

Mr. RICH. Here is a Republican that is not going to support Ludlow [applause], because I am here to help the American farmer and I want to protect by tariff all commodities.

I want to go further than you from the South. When you say you are willing to help the southern cotton farmer, have you enough red blood to say, "I am going to help American labor; I am going to help American manufacturers"? We have to work together, whether we live in the South or in the North. I do not want to hear any more of this bulldozing or bully ragging for something that is "good for my district" when it is not going to help somebody else. As long as I have been in Congress I have followed the principle that I want to help America. [Applause.] You will not do anything that will help the South or any other section and you will not maintain the standard of living in America and keep American wages high unless you give us a tariff that will protect us from the effect of the low wages paid in foreign countries. If we do not do that, we will have all our business done in foreign countries. The 130,000,000 people in this country create a market as good as the 500,000,000 people in Europe. I say we ought to enact this law. [Applause.]

[Here the gavel fell.]

Mr. COCHRAN. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. Chairman, I am in the same position as the gentleman from North Carolina [Mr. COOLEY]. No cotton farmer in

my district has asked me to vote for this bill. [Laughter.] I admit the reason is I have no cotton farmer in my district; but the outstanding bagging manufacturers of the United States are located in my city, and they and hundreds of their employees have asked me to vote against this bill.

I may say to the gentleman from Mississippi [Mr. DOXEY] that it is true this bill has been around here for 10 years. It is also true that I am one of those responsible for the bill being defeated for the last 10 years.

When you find representatives of the cotton growers unable today to agree upon a piece of legislation, something is radically wrong with that legislation. That is your situation here today.

Mr. PACE. Will the gentleman yield?

Mr. COCHRAN. In just a moment.

We are hearing a great deal these days about disturbing business. "Leave business alone." We are getting that phrase from our Republican brothers. They are proclaiming daily, "Leave business alone." I am asking you now to let business alone; leave a great industry alone, a great industry that was established nearly 100 years ago for the purpose of manufacturing the covering for your cotton. There are thousands and thousands of employees in this country who will be out of employment if this bill becomes a law.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. In just a minute.

There are thousands who will be affected in my city. This is no time to add to the unemployment rolls or destroy an industry that has existed for nearly a hundred years.

Manufacturers have spent large sums for machines to make the covering for the cotton, and here you would make them worthless overnight and put the operators of the machines out of a job.

So I say to you, let us follow the suggestions we have heard recently and let business alone, let this great industry that has been manufacturing this covering alone, by defeating this bill. [Applause.]

Mr. SOUTH. Mr. Chairman, I move to strike out the last three words.

Mr. Chairman, I am surprised that my friend from Missouri makes the statement that this bill has been defeated for a period of some 10 or more years, and that he is responsible for it. I want to say to him that, in my judgment, he has nothing to be proud of.

The cotton farmers, Mr. Chairman, are the poorest paid and, perhaps, the poorest organized, of any group in America. They have not had their spokesmen to come before Congress and plead their cause as the jute people have had, and as they now have. This is the reason we find them in their present plight.

The gentleman from Missouri [Mr. COCHRAN] states that by the enactment of this law you are going to create unemployment. Why? Because you are going to throw some of the processors of jute out of the work they are now doing, but I would remind the gentleman that if this bill is enacted, not only will a like number of men be required to process the cotton, but American labor will plant, cultivate, harvest, and process the cotton, and therefore for every man that you throw out of employment in the jute industry, you will employ 10 American men in the cotton industry. If the gentleman from Missouri does not agree to this statement, I would like for him to rise and explain his position now.

I wish to say to you again that every time an attempt has been made here to do something that will really help the cotton farmer, if it is going to harm the jute manufacturers, as you have seen time and again, there is always some man ready to defend the latter. Why? Not because he loves the cotton farmer, and not because he is interested in unemployment in this country. One does not have to be very intelligent to know that this legislation will help the farmer.

Mr. RICH. Mr. Chairman, will the gentleman yield?

Mr. SOUTH. Yes.

Mr. RICH. I do not believe the American manufacturer would hurt the cotton farmer near as much as the men who have legislated in the past 6 years with respect to cotton itself, because when you try to raise the price of cotton so

high that all the foreign countries cannot afford to buy, you kill it yourself.

Mr. SOUTH. I am not so sure about that. I want to repeat, the cotton farmer is not organized and is not able to present his views here, except through his representatives. The cotton farmer is not going to be fooled any longer by this kind of talk. I say to you gentlemen that it is an insult to the intelligence of this House for gentlemen to come on the floor and attempt to tell you that any intelligent, legitimate manufacturing concern would pay for this jute. What would they do with it? If that is the practice now, it would be a very simple matter to change it. Who is putting out that talk? The jute monopoly is talking through certain men who have spoken on this bill.

Now, let us get down to some common sense about this matter. What are we trying to do? We are trying to remove a part of the enormous surplus that now exists in the form of baled cotton in this country. And how do we propose to do it? We propose to do it by substituting the use of cotton for jute, a product that is grown abroad and shipped into this country. And yet the distinguished gentleman from Missouri boasts of the fact that for 10 or 15 years he has been instrumental in defeating this legislation. What has he accomplished? He has helped a few jute manufacturing concerns, he has helped to impoverish the cotton farmer of this country, and he has added several thousand to the unemployed in the cotton-growing and cotton-manufacturing sections of this Nation.

[Here the gavel fell.]

Mr. COOLEY. Mr. Chairman, I rise in opposition to the pro forma amendment.

Mr. FULMER. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. COOLEY. Mr. Chairman, I want it distinctly understood that my opposition to this bill is not based upon, nor is it accelerated by any love which I may have for the manufacturers of jute. My opposition is based, as I said before, upon the fact that I am not convinced that it will help the cotton farmer. The statement has been made here that the farmer is not paid for bagging and ties. I am willing to concede that statement is correct.

Mr. FULMER. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Not now. At the same time, if he is not paid for the bagging and ties, for more than 100 years he has been under that impression, however erroneous it may have been. If the farmer is not paid for the bagging and ties, everyone knows that when his cotton is ginned the farmer buys and pays for the bagging and ties. Everyone knows that cotton bagging is more expensive than jute or burlap bagging. If the cotton farmer buys and pays for the bagging he uses, regardless of its character or kind, and he sells his cotton and is not paid in return for the bagging, then we are visiting by this measure an additional burden upon the cotton farmer. I would like for someone to rise in his place and tell me just where this bill and just how this bill will increase the price of cotton.

Mr. FULMER. Will the gentleman yield?

Mr. COOLEY. Yes.

Mr. FULMER. If the gentleman will write to any one of these 20 or 30 cotton mills and any one of them says that they will not pay the difference in the net weight, then I will withdraw the bill.

Mr. COOLEY. What difference?

Mr. FULMER. The difference because of the weight now deducted, because of not using cotton bagging. The cotton mills are doing it now.

Mr. COOLEY. They are doing what?

Mr. FULMER. They are paying the entire price. If cotton is 10 cents for the gross weight, they will pay 10½ cents for the net weight.

Mr. COOLEY. But the farmer does not get the increase in the price of cotton because, upon the sale of it, you are going to deduct the weight of the bagging and ties.

Mr. FULMER. In addition, he will not have to pay the excess freight of six million because of the surplus weight, and the insurance will be higher.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. Yes.

Mr. SOUTH. The gentleman will concede that we have an enormous surplus of cotton in this country.

Mr. COOLEY. That is correct.

Mr. SOUTH. And he will concede that by the use of cotton to wrap cotton it would tend to reduce that surplus.

Mr. COOLEY. I concede that, and if that is what we have in mind, why not write into this bill in definite and unambiguous language a provision which requires that every bale of American cotton shall be wrapped in cotton bagging. Will the gentleman support that sort of a bill?

Mr. SOUTH. So far as I know now I would.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COOLEY. On the other hand, this bill starts out to be a net-weight bill, and if you look at the title you will see just what it actually is:

To provide for the use of net weights in interstate and foreign transactions in cotton, to provide for the standardization of bales for cotton, and for other purposes.

The last portion is the part that I object to. I do not object to the net-weight proposition. I will welcome an opportunity to vote for a law requiring that cotton be wrapped in cotton, but what I do object to is putting one industry out of business which is engaged in manufacturing an imported article, to give that business to burlap manufacturers, which is likewise an imported article. I yield to the gentleman from Georgia.

Mr. PACE. The gentleman is one of the most distinguished and able men in this House, and will he stand in his place and say that a bill requiring the wrapping of cotton in cotton would be constitutional?

Mr. COOLEY. May I say to the gentleman that I would not state that in my opinion it would be constitutional. I am not giving my opinion about it, but I submit this observation. If we have a right to pass a law providing that a farmer in America shall not sell cotton in bagging that weighs more than 14 ounces, then under God's heaven we ought to be able to go all the way through and say that he would have to use a particular kind of wrapping.

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

The Clerk read as follows:

SEC. 2. That in order to provide for the more adequate covering and protection of the American cotton bale and to facilitate net-weight trading in cotton, the Secretary of Agriculture is hereby authorized to investigate the handling, inspection, and transportation of cotton in interstate and foreign commerce; to study the materials used for bale covering; and from time to time to establish standards for materials to be used for bale covering, which standards shall include specifications and tolerance as to sizes, weights, constructions, strength, and any other factors of quality that he may find to be necessary; said standards, when established, to be known as the "United States Official Cotton Tare Standards": *Provided*, That the official cotton tare standards first established hereunder shall be promulgated within 1 year from the date of the approval of this act: *Provided further*, That any such standards or change or replacement thereof shall become effective only on and after a date specified in the order of the Secretary of Agriculture establishing the same, which date shall be not less than 1 year from the date of such order, but pending such effective date of new or revised standards any bale covering material conforming with such new or revised standards may be used in lieu of any bale covering material embraced in the United States Official Cotton Tare Standards theretofore promulgated. The maximum weight of any fabric standardized under this section as bagging for the covering of cotton bales shall not exceed 14 ounces per square yard, and the maximum weight of any fabric standardized for patches shall not exceed 20 ounces per patch; and no such fabrics standardized for bagging or patches shall be composed of any material previously used for covering cotton bales unless the same shall have been reprocessed and rewoven.

Mr. PACE. Mr. Chairman, I offer an amendment.

Mr. Chairman, I would like to make a unanimous-consent request before the amendment is read. This amendment involves the matter of time. It requires an amendment to this section and the adding of a section at the end of the bill. They are together. I ask unanimous consent they be considered in the one amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

The CHAIRMAN. The Clerk will report the amendments. The Clerk read as follows:

Amendments offered by Mr. PACE: On page 3, in line 5, strike out the words "of the approval of this act" and insert the words "this act becomes effective"; and at the end of section 10 add a new section, as follows:

"Sec. 11. This act shall become effective January 1, 1941."

Mr. PACE. Mr. Chairman, in explanation of the amendments, the first provision of this section now under consideration, page 3, line 5—

Mr. FULMER. Mr. Chairman, the committee will accept that amendment.

Mr. PACE. I thank the gentleman for the acceptance of the amendment.

I might explain that the bill now provides that the standards shall be effective 1 year from the date of the approval of the act. I change that to make them effective 1 year after the act becomes effective, and then provide that the act shall become effective on January 1, 1941. Then the order will go into effect 1 year from that time, putting the standards in force on January 1, 1942, by which time those who have supplies on hand will be able to dispose of them and plants will be able to adjust their machinery and their business in accordance with the new standards. I believe this will be fair to all.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Georgia.

The amendments were agreed to.

Mr. CLASON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CLASON: On page 3, line 15, after the period in line 15, strike out the remainder of section 2.

Mr. FULMER. Mr. Chairman, I ask unanimous consent that all time on this section and all amendments thereto close in 10 minutes.

Mr. CLASON. Well, I object to that, Mr. Chairman. I do not know how many want to speak on it. I think it is an important amendment.

The CHAIRMAN. Objection is heard. The gentleman from Massachusetts is recognized for 5 minutes.

Mr. CLASON. Mr. Chairman, my purpose in offering this amendment is because at the present time, covering for cotton weighs, as I am told, 1¾ pounds to 2 pounds per yard. This speaks of 14 ounces per square yard. I know of no evidence that has been introduced at any hearing or on the floor this afternoon which indicates that cotton satisfactory for the bales of cotton can be produced at 14 ounces to the square yard. In fact, the information which I have has been that it would weigh more than that.

The other proposition is this: The purpose of this bill is to allow certain Government agencies to establish fair standards and regulations. Along comes this bill and they put in a sentence which eliminates the right of these people to determine what we are to have in the way of covering for cotton. I presume they are making something down at the Lane Co.'s mill in New Orleans which comes somewhere near these figures, and therefore they hope to restrict the whole market to that one mill.

There is nothing in this bill that indicates that when the bill is passed jute products in some form will not be that which is used to cover cotton. I think what we want to have is a kind of fabric which will weigh enough to do the work and do it properly. Certainly no one believes that half the cotton is going to do the work of the jute which they have been using for the last 100 years. I feel that in fairness this part should be stricken out. If the purpose of this is to have

cotton cover cotton, I would like to have you read, on page 24 of the hearings before the Senate, where the man in the Senate who is supposed to know more about cotton than any other Senator, Senator "Cotton" ED SMITH, speaks on this subject:

DR. MURCHISON. What I really think about it, Senator, is that we should use cotton for the bale covering, which would use up a tremendous amount of cotton.

Senator SMITH. I do not doubt that, but in selling cotton that has never appealed to me. Now, we want to get down to the bottom of this thing. Suppose that they were selling silk from India, and it came covered with silk. The tare would be on silk. I think that the buyers would be inclined to think that the silk business must be mighty cheap over there if they can use silk to cover it with. That is a hell of a note. Go on. You would discount your cotton.

That comes from the outstanding authority, in the minds of the public at least, in the Congress of the United States, Senator SMITH.

Mr. COOLEY. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. COOLEY. The gentleman's amendment proposes to strike out the standards which have been set up in the bill?

Mr. CLASON. Yes.

Mr. COOLEY. This would preclude the use of any bagging in excess of 14 ounces per yard.

Mr. CLASON. That is right.

Mr. COOLEY. Then it would leave it up to the Department to make some determination with regard to the proper weight of bagging.

Mr. CLASON. Exactly; and that is my purpose, because I feel that these people might well say that it ought to be a pound and a half, or that it might be any number of ounces; and for this Congress to vote on this bill with any weight specified for the covering seems to me to be absolutely ridiculous.

Mr. COOLEY. During the entire debate no one advocating the bill has given the House any information in regard to the necessary weight or the proper weight for either burlap, or cotton, or jute bagging. Is not that true?

Mr. CLASON. That is a fact; and, further, at the present time the covering weighs from 28 ounces to 32 ounces; and for them to level it down to 14 ounces with not a word in front of us to indicate why, looks as though there is something in the wood pile.

Mr. SOUTH. Mr. Chairman, will the gentleman yield?

Mr. CLASON. I yield.

Mr. SOUTH. It is pretty evident from the sample coverings on the table in the Well of the House that cotton would be considerably lighter than jute, is it not?

Mr. CLASON. I think cotton would be lighter. Further than that, cotton will be much more expensive, you will have a more expensive wrapping around this cotton and will be driving another nail into the coffin of the American cotton market.

[Here the gavel fell.]

Mr. FULMER. Mr. Chairman, I ask unanimous consent that all debate on this section and all amendments thereto close in 5 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. FULMER. Mr. Chairman and gentlemen of the Committee, I am hoping that you will pay strict attention to the short statement I expect to make in reply to the gentleman. The jute bagging interests appeared before the Senate committee and here is what they said:

I hope that you leave the bill open, just net weight. I will just say, for example, that there might be a half dozen different standards and specifications, and in that way it will leave the door open for various types of suitable and economical coverings that are available. I have seen considerable foreign cotton, especially in South America. There is no doubt about it, they put up a far better bale than we do. They have much more modern gin-press boxes than we have.

This, as you see, would leave the door wide open. What is going to happen? Twenty-one pounds of this same jute as a legal standard sells below the price of the 15-pound

cotton covering. Brother, the jute people, every one of them, will vote for it because we will continue to use 21 pounds of jute. It will displace cotton because we cannot compete with that kind of jute. Then, too, we shall lose the freight and the insurance and millions of dollars referred to by the gentlemen from the Department, who stated that by bringing the tare, bagging, and ties down to 15 pounds we would save these freights, insurance, and waste.

The jute interests endorse this amendment for the reasons stated; and, take it from me, because I have studied this question all these years, if you adopt this amendment we will continue to use this jute, and you will not have done anything in the interest of the farmer, because he pays the freight and the insurance, and we will not consume any additional cotton. I am sure that nobody interested in the farmers would offer such an amendment. It is an amendment that is perfectly satisfactory, as I stated, to the jute people.

And now about the weight of the cotton covering. The gentleman said that maybe it ought to be a pound and a half. Through all these years, Mr. Chairman, we have given millions of dollars to the Secretary of Agriculture for research. They have perfected a bagging here that does not weigh quite the 14 ounces referred to in the bill. This bagging has proven much better than any other material, having been tested in shipping to Germany and back still in perfect condition, whereas cotton wrapped in jute undergoing that journey would come back all ragged, as we usually see them.

They state that I have picked out a bad jute covering to present to you. This sample is much better than the average bagging of this type used. This was manufactured some years ago. The stuff they are putting out today is not even as good as this. So, based on tests that have been made, the weight of the cotton covering will not have to exceed the amount that has been placed in the bill.

Mr. WHITTINGTON. Mr. Chairman, will the gentleman yield?

Mr. FULMER. I yield.

Mr. WHITTINGTON. As I understand it, if the amendment offered by the gentleman from Massachusetts is adopted it will absolutely destroy the force and effectiveness of the bill.

Mr. FULMER. The gentleman is absolutely correct. We might just as well kick the bill out of the window as to pass it with the gentleman's amendment. The jute interests are all for this type of an amendment because its adoption would mean the continued use by the cotton industry of this old heavy jute bagging, and would mean that we would not have this additional use for some 200,000 bales of American cotton.

Let us for once, instead of talking about doing something for the farmers, do something for them. And I mean just what I say. I say to the West, and to every other section of the country, that our problem is theirs. Unless we can settle it, we can go into the dairy business, we can go into the hog business, we can go into the cattle business, we can go into the grain business. This is a national problem. I ask that you vote down this amendment. [Applause.]

The CHAIRMAN. The time of the gentleman from South Carolina has expired; all time has expired.

The question is on the amendment offered by the gentleman from Massachusetts.

The question was taken; and on a division (demanded by Mr. CLASON) there were—ayes 29, noes 73.

Mr. CLASON. Mr. Chairman, I object to the vote on the ground there is not a quorum present.

The CHAIRMAN. The division vote just taken discloses a quorum is present.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I move to strike out the enacting clause.

The CHAIRMAN. Has the gentleman submitted his motion in writing?

Mr. SCHAFER of Wisconsin. No; but I will.

The CHAIRMAN. The Clerk will read until the gentleman submits his motion in writing.

The Clerk read as follows:

SEC. 3. That except as provided in section 2 of this act, it shall be unlawful for any person to ship or deliver for shipment in interstate or foreign commerce any bale of cotton ginned after the

effective date of the United States Official Cotton Tare Standards on which the bagging, ties, or patches do not conform with such United States Official Cotton Tare Standards.

No person shall be prosecuted under the provisions of this section when he can establish a guaranty signed by the manufacturer, wholesaler, jobber, or other party residing within the United States by whom such bagging, ties, or patches were sold, to the effect that the same conform with said United States Official Cotton Tare Standards. Said guaranty, to afford protection, shall contain the name and address of the party or parties making the sale of such bale covering materials, and in such case such party or parties making such sale shall be amenable to the prosecutions, fines, and other penalties which would attach in due course to the shipper under the provisions of this act.

The Secretary of Agriculture is authorized to examine and test bale covering materials and samples thereof for the purpose of determining whether such materials conform with the United States Official Cotton Tare Standards, and to promulgate regulations for submitting samples of bale covering materials for examination and testing.

SEC. 4. That from and after the effective date of the United States Official Cotton Tare Standards it shall be unlawful for any person to buy or sell or to offer to buy or sell any American cotton for shipment in interstate or foreign commerce except according to the net weight of the cotton involved, excluding in each instance the weight of bagging, ties, and patches.

SEC. 5. That the Secretary of Agriculture is authorized to cause such investigations and tests to be made as he may find to be necessary in order to determine practical means for the permanent identification of different types of bales of cotton by the use of markers, tags, and other devices which will facilitate the effective administration of this act, and by public notice to prescribe standard specifications for such markers, tags, and other devices. Such standard specifications or any change or replacement thereof shall become effective on and after a date specified in the order of the Secretary establishing the same, which shall be not less than 1 year after the date of such order, and thereafter it shall be unlawful for any person to ship or deliver for shipment in interstate or foreign commerce any bale of American cotton ginned after such effective date which does not bear a tag, marker, or other device conforming with such standard specifications.

SEC. 6. That for the purposes of this act the Secretary of Agriculture shall cause to be promulgated such regulations, may cause such investigations, tests, demonstrations, and publications to be made as he shall find to be necessary; and he is hereby authorized to cooperate with any department or agency of the Government, any State, Territory, District, or possession, or department, agency, or political subdivisions thereof, or any person, in carrying out the provisions of this act, and he shall have the power to appoint, remove, and fix the compensation of such officers and employees not in conflict with existing law, and to make such expenditures for printing, books of reference, technical newspapers and periodicals, furniture, stationery, office equipment, travel, and other supplies and expenses as shall be necessary to carry out the purposes of this act in the District of Columbia and elsewhere.

Mr. SCHAFER of Wisconsin. Mr. Chairman, I offer a motion to strike out the enacting clause, which I send to the Clerk's desk.

The Clerk read as follows:

Mr. SCHAFER of Wisconsin moves that the Committee do now rise and report the bill back to the House with the recommendation that the enacting clause be stricken out.

The CHAIRMAN. The question is on the motion offered by the gentleman from Wisconsin [Mr. SCHAFER].

The motion was rejected.

The Clerk read as follows:

SEC. 7. The duties devolving upon the Secretary of Agriculture under this act may with equal force and effect be executed by such officers and agents of the Department of Agriculture as he may designate for the purpose.

SEC. 8. Any person who shall knowingly violate any of the provisions of this act or of any regulation made in pursuance hereof; or any person who shall knowingly represent by misbranding or otherwise that any bale covering material sold or offered for sale or shipped or delivered for shipment in interstate or foreign commerce conforms with the United States Official Cotton Tare Standards when in fact such bale covering material does not conform with such standards; or any person who shall forcibly assault, impede, resist, interfere with, or influence improperly, or intend to influence improperly, any person employed under this act in the pursuance of his duties, shall be guilty of a misdemeanor and upon conviction thereof shall be fined not more than \$500.

Mr. FULMER. Mr. Chairman, I offer a committee amendment which I send to the Clerk's desk.

The Clerk read as follows:

Committee amendment offered by Mr. FULMER: Page 7, line 1, strike out "intend" and insert the word "attempt."

The committee amendment was agreed to.

The Clerk read as follows:

Sec. 9. There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for carrying out the provisions of this act.

Sec. 10. If any provision of this act or the application thereof to any person or circumstance is held invalid, the validity of the remainder of the act and the application of such provision to other persons and circumstances shall not be affected thereby.

Mr. FULMER. Mr. Chairman, I move that the Committee rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass. The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. LEAVY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 57) to provide for the use of net weights in interstate and foreign commerce transactions in cotton, to provide for the standardization of bale covering for cotton, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. FULMER. Mr. Speaker, I move the previous question on the bill and all amendments thereto to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time.

Mr. SCHAFER of Wisconsin. Mr. Speaker, I demand the reading of the engrossed copy of the bill.

The SPEAKER. It is obviously impossible at this juncture of the proceedings to have the engrossed copy read. The bill will, therefore, go over until tomorrow, the previous question having been ordered.

EXTENSION OF REMARKS

Mr. FULMER. Mr. Speaker, I ask unanimous consent that all Members who spoke on the pending bill may have permission to revise and extend their remarks in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

FEDERAL SEED ACT

Mr. COFFEE of Nebraska. Mr. Speaker, by direction of the chairman of the Committee on Agriculture, I call up the bill (H. R. 5625) to regulate interstate and foreign commerce in seeds; to require labeling and to prevent misrepresentation of seeds in interstate commerce; to require certain standards with respect to certain imported seeds; and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. This bill is on the Union Calendar, and the House automatically resolves itself into the Committee of the Whole House on the state of the Union.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 5625, with Mr. LEAVY in the chair.

The Clerk read the title of the bill.

The first reading of the bill was dispensed with.

Mr. COFFEE of Nebraska. Mr. Chairman, this bill is to regulate interstate and foreign commerce in seeds; to require labeling and to prevent misrepresentation of seeds in interstate commerce; to require certain standards with regard to certain imported seeds; and to curb the spread of noxious weed seeds.

This bill is very important to the farmers of this country. It has gone through a stage of evolution over a period of 2 years. The bill as presented represents the best thought of the seed trade, the farm groups, the association of official analysts, and the State departments of agriculture. This bill and its predecessors which I introduced have been before

the House for the last 2 years. No attempt has been made to bring it before the House until the provisions of the bill could be generally agreed upon by the various groups affected. All the groups are now in accord on this bill with the exception of one provision in the bill, section 203, on page 17, the amendment that was incorporated in the bill by the Committee on Agriculture. It is known as the farmer exemption. I will grant that the exemption as provided is too broad and should be restricted. I have had a number of letters, as I presume you have, asking that this exemption be further restricted. At the proper time I shall offer an amendment to this section of the bill which I believe will take care of the objections to that particular provision that have been raised.

The amendment I expect to offer is as follows:

Page 17, line 11, strike out the period and insert "And provided further, That such seeds produced or sold by him are in compliance with the seed laws of the State into which the seed is transported."

I believe this amendment will close the door to inferior seeds that might be brought over the State line and sold into a State which has strict seed laws prohibiting its own citizens from selling seeds that are not properly labeled or that contain noxious-weed seeds. This provision would make the man who sells across a State line comply with the law of the State into which he transports the seed.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Minnesota.

Mr. AUGUST H. ANDRESEN. At the present time, as I understand, it is impossible for State authorities to regulate shipments in interstate commerce.

Mr. COFFEE of Nebraska. The gentleman is correct.

Mr. AUGUST H. ANDRESEN. Therefore, the amendment to be proposed by the gentleman will take care of that situation, so the local State laws will govern all seeds shipped into the State.

Mr. COFFEE of Nebraska. The gentleman is correct.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Missouri.

Mr. COCHRAN. Will the proviso the gentleman will offer require the farmer to label his seeds?

Mr. COFFEE of Nebraska. It will require the farmer to label his seeds in the event the State into which he ships them requires that of its own citizens.

Mr. COCHRAN. What is the situation generally in the States of the country?

Mr. COFFEE of Nebraska. I believe there are about 17 States that require labeling; there may be more. There are 47 States that have seed laws. I understand only one State, the State of Georgia, has no seed law.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from California.

Mr. HINSHAW. Does the gentleman see any particularly good reason why the farmers who are growing seeds definitely for sale should be exempted from the provisions of the bill as it is set up?

Mr. COFFEE of Nebraska. I may say to the gentleman that I believe the law should apply to all equally, but in the interest of getting much-needed legislation through it becomes necessary at times to make certain compromises and provide certain exemptions. I may say that a number of States are eliminating farmer exemptions in their seed laws. I believe it would be better for the States to pioneer that field rather than for the Federal Government. Under this amendment the Federal law would automatically support the State laws. As the State laws become stricter the Federal law could become stricter. Our present Federal seed law is inadequate and unenforceable.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield further?

Mr. COFFEE of Nebraska. I yield.

Mr. AUGUST H. ANDRESEN. There seems to be some misunderstanding with regard to the gentleman's amendment. I believe we should clear it up. Let me cite an illustration. I am a farmer living in the State of Minnesota. I want to ship seed down into the State of Iowa to my friend, Brother GILCHRIST. Must I comply with the laws of the State of Iowa in order to get that seed over to him, or is it satisfactory that I comply with the laws of the State of Minnesota?

Mr. COFFEE of Nebraska. Under this amendment the gentleman would have to comply with the laws of the State into which the seed is transported.

Mr. AUGUST H. ANDRESEN. Therefore, I would have to comply with the laws of the State of Iowa with regard to the shipment of seed.

Mr. GILCHRIST. The seed is transported in Minnesota, and the gentleman would have to comply with the laws of Minnesota.

Mr. COFFEE of Nebraska. If he is shipping it into the State of Iowa, he would have to comply with the laws of the State of Iowa.

Mr. AUGUST H. ANDRESEN. That is correct; otherwise, the gentleman's amendment would not take care of interstate shipments.

Mr. COFFEE of Nebraska. This bill applies only to interstate shipments of seed for seed purposes.

Mr. GILCHRIST. The seed in the case spoken of is transported in the State of Minnesota. The gentleman assumes he is selling me seed. He lives in Minnesota and I live in Iowa. The amendment does not apply at all unless the seed is transported by the farmer in Minnesota. He transports it first in Minnesota, for that is where the transportation commences, and under the gentleman's amendment the farmer must comply with the laws of the State in which it is transported; that is, Minnesota.

Mr. COFFEE of Nebraska. Into which it is being transported. The word is "into."

Mr. GILCHRIST. It does not say "into"; it says "in."

Mr. COFFEE of Nebraska. "Into" is the way the amendment reads.

Mr. AUGUST H. ANDRESEN. Let me suggest to my friend from Iowa that if he comes to me at my farm in Minnesota and buys the seed from me there, then all I have to do is comply with the laws of Minnesota; but if I attempt to ship the seed from my farm in Minnesota to his farm in Iowa, I would then have to comply with the laws of the State of Iowa.

Mr. PACE. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield to the gentleman from Georgia.

Mr. PACE. What regulation would there be under the amendment and under the bill in the sale of cottonseed? Of course, they have no trash weeds or anything of that kind.

Mr. COFFEE of Nebraska. Cottonseed would have to meet the same requirements in the event it was sold for seed purposes. This bill only regulates seeds sold for seed purposes in interstate commerce.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. Yes.

Mr. HINSHAW. The bill would require anyone who shipped seeds in several States to follow the seed laws of all those States in order to be able to ship his seeds into such States.

Mr. COFFEE of Nebraska. At the present time all the legitimate seed houses that do sell in the various States comply with the State laws.

Mr. HINSHAW. I am speaking of the individual farmer provided for under this exemption.

Mr. COFFEE of Nebraska. If the individual farmer were to sell in various States, naturally, he would have to comply with the laws of the States into which he is shipping.

Mr. STEFAN. Mr. Chairman, will the gentleman yield to me to clarify somewhat the discussion we have been having here on the gentleman's amendment? As I understand, that does not become effective and there is no regulation until it becomes a matter of interstate shipment.

Mr. COFFEE of Nebraska. That is true.

Mr. STEFAN. For instance, the farmer in Nebraska, which is your State and mine, who wishes to sell his seeds within the State, would not be regulated until the time his seeds crossed the State line into Minnesota or Iowa, and we are not dealing here with anything but interstate commerce.

Mr. COFFEE of Nebraska. The gentleman is correct. It applies only to interstate shipments, and, naturally, there are relatively few sales by farmers that cross State lines.

I would now like to read this wire which I have just received:

COLUMBUS, OHIO, June 7, 1939.

Members of the board of directors of the American Farm Bureau Federation in session here today adopted unanimously following resolution: On behalf of our members in 40 States, we strongly urge the enactment by Congress at this session of the Coffee seed bill in order to protect the farmers against adulteration, misbranding, and false advertising of seeds.

EDWARD O'NEAL,

President, American Farm Bureau Federation.

I may say that the seed policy committee, appointed by the Secretary of Agriculture, which is composed of technically informed men who know the intricacies of the seed business, served for the last year and a half in helping to work out the provisions of this bill in various conferences with the legislative committee of the American Seed Trade and the various farm groups, seed analysts, State commissioners of agriculture, and others. It is a highly technical bill, but a general agreement has been reached among all the groups on all the provisions of the bill, I believe, with the exception of section 203. The committee amendment that I will offer will, I think, take care of the main objections that have been raised on that issue.

Mr. Chairman, I reserve the balance of my time and yield 10 minutes to the gentleman from California [Mr. HINSHAW].

Mr. HINSHAW. Mr. Chairman, I very much favor the Seed Regulation Act, but there is one part of it in particular which makes noxious-weed control very difficult to handle. The principal difficulty in the bill is the exemption of farmers from its provisions as just mentioned by the acting chairman of the committee.

May I ask the gentleman if I may have his amendment so I can read it.

Mr. COFFEE of Nebraska. Yes.

Mr. HINSHAW. The amendment reads, "Provided further, That such seeds produced or sold by him are in compliance with the seed laws of the State into which the seed is transported."

This would mean that any farmer who is raising seeds as a business must comply with the laws of the 47 States that have seed laws. It is going to be a very difficult thing, not only for him to follow out the laws, but for the enforcing officers to enforce them. If one ships seed from the State of my friend from Minnesota into the State of Iowa, I do not see how anybody is going to check up on the seed in accordance with the laws of the State of Iowa when the seed arrives there, and the package may contain all kinds of noxious-weed seeds in it.

When the bill is read for amendment I am going to propose that we strike that portion of the bill after the word "act", in line 2, and all of lines 3 to 11, inclusive, part of which is already proposed to be stricken out, as I understand it; so that the farmer who is in the seed business must comply with the act completely.

Mr. COCHRAN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. COCHRAN. The gentleman refers to page 17, lines 9, 10, and 11, which is an exemption insofar as the farmer is concerned, but there is a proviso starting in line 10, which reads: "Provided such farmer is not engaged in the business of selling seeds not produced by him."

Mr. HINSHAW. That is right, but on the other hand, he may be engaged in selling a half dozen or a dozen kinds of seed that are produced by him and which may carry with them noxious-weed seeds.

Mr. COCHRAN. Of course, I understand what the gentleman is getting at. He does not want some farmer to be

producing seed and then be exempted so that he might, to use the term, bootleg seeds that have not been examined.

Mr. HINSHAW. That is correct.

Mr. COCHRAN. In the end the farmer who buys the seed will suffer most.

Mr. HINSHAW. It is the farmer who buys the seed and his neighbors and his neighbors' neighbors who will suffer under that part of the bill.

Mr. COCHRAN. Does the gentleman feel that the amendment suggested by the gentleman from Nebraska [Mr. COFFEE] will meet that objection?

Mr. HINSHAW. I believe it would, if there was anybody who could check up and see that the seeds complied with the State law in respect to seeds.

Mr. COCHRAN. Does not the gentleman think that the proper authorities in every State would check up on the seeds?

Mr. HINSHAW. That is possible, but the package might be shipped by mail, direct, or by express, in which case it would be difficult for anybody to locate.

Mr. AUGUST H. ANDRESEN. In the instance to which the gentleman has referred, where the seed is shipped by mail, it is the man who receives the seed who will make the complaint if the seeds are not up to the guaranty placed on them by the farmer who ships them.

Mr. HINSHAW. He can prove that if he holds out enough seed to be tested afterward, but after he has once planted the seed and something grows that should not be there nobody could tell, and his farm would already be infested with new weeds.

Mr. AUGUST H. ANDRESEN. And at the present time the farmer who lives outside a State has no recourse because he cannot get recourse in his own State.

Mr. HINSHAW. That is true, but this act provides that there shall be inspection and grading of seeds, and I believe the act is a good one from that point of view, but I think it should apply equally to all persons who provide seed.

Mr. AUGUST H. ANDRESEN. There is no question but that the gentleman is correct there, when you come to regulate the seed dealers and farmers engaged in selling seed commercially, but there are many instances, particularly in our section of the country, where farmers will raise alfalfa, say, have a few bags of seed for sale or produce and sell seed corn, and I think they should have a right to deal with their neighbors.

Mr. HINSHAW. They have that right to deal with their neighbors in the State in accordance with the State laws. This refers to interstate shipment.

The CHAIRMAN. The time of the gentleman from California has expired.

Mr. AUGUST H. ANDRESEN. But if they comply with the State laws in which they live, they should be taken care of, and this does take care of them.

Mr. COFFEE of Nebraska. Mr. Chairman, I yield the gentleman 3 more minutes.

Mr. HINSHAW. Mr. Chairman, I call attention to the fact that the producer or farmer has the opportunity of having his seed cleaned and tested for him by a custom cleaner or he may have his own cleaning equipment. He also has opportunity of having the seeds tested free of charge at a State or Federal seed laboratory. He can also sell to the dealer or jobber without cleaning or testing. The exemption which has been inserted in the bill is not necessary to the proper marketing of seed by the producer or farmer.

Mr. H. CARL ANDERSEN. Mr. Chairman, will the gentleman yield?

Mr. HINSHAW. Yes.

Mr. H. CARL ANDERSEN. Is the gentleman in favor of seeing this bill enacted?

Mr. HINSHAW. I am.

Mr. H. CARL ANDERSEN. I say that if the gentleman is, he would not consider any move toward removing this exemption from the bill?

Mr. HINSHAW. I do not understand that.

Mr. H. CARL ANDERSEN. In other words, if there is no exemption for the farmer from the provisions of this act, I

do not see how anyone interested in the farmers of the Nation could vote for it.

Mr. HINSHAW. If the farmers are interested in themselves, they are interested in prohibiting the spread of noxious-weed seeds.

Mr. H. CARL ANDERSEN. Has the gentleman ever farmed?

Mr. HINSHAW. I have, but not extensively. I am a member of the Los Angeles County Farm Bureau.

Mr. H. CARL ANDERSEN. May I suggest that there are lots of cases where a man, needing a little seed, goes to his neighbor, who perhaps lives on the other side of a State line. For instance, I do that myself. I live on a farm about 12 miles from the Dakota line, and in many cases I have gone across the line and got a little jag of seeds.

Mr. HINSHAW. I do not think this law would seriously prevent you from doing that.

Mr. H. CARL ANDERSEN. I think it would.

Mr. AUGUST H. ANDRESEN. Will the gentleman yield?

Mr. HINSHAW. I yield.

Mr. AUGUST H. ANDRESEN. I can see the objection that the gentleman has where a farmer in a State might be forced to comply with the regulations and laws of 47 other States, but this provision might lead to a uniformity of legislation with reference to seeds. In fact, they are working that way now.

Mr. HINSHAW. Any act regulating interstate commerce should apply equally to everyone, in my opinion.

[Here the gavel fell.]

Mr. COFFEE of Nebraska. Mr. Chairman, I yield 5 minutes to the gentleman from Massachusetts [Mr. TINKHAM].

Mr. TINKHAM. Mr. Chairman, by unanimous consent I desire to make a statement which I made to the press not long ago and which I think is appropriate at this time.

The King of Great Britain and the Emperor of the British Empire and those accompanying him, it goes without saying, should be received with respect and dignity on the occasion of their visit to this country.

It is the first time since the discovery of America by Christopher Columbus that any sovereign of this imperial government has come to this continent. Such a visit, however, might have been more fortunate at another time. It comes now at a time when heavy war clouds overhang the British Empire—when Europe is on the brink of war, and when the course which the United States shall follow in the event of European war is of uppermost concern, to us and to Europe.

In diplomacy, as well as historic perspective, such a visit of a reigning monarch to the head of another nation is not a private visit. It is an affair of state.

History reveals that the various royal visits to France almost invariably were accompanied by political commitments and frequently followed by war.

In June of 1908 the King of Great Britain and the Emperor of the British Empire visited Russia for the first time. It is a fact of historic record that the political understanding or entente between the Russian and British Empires coincided with that royal visit. Six years later that understanding or entente brought Russia into the World War as the ally of Great Britain. That war cost the Czar his throne and was followed by the destruction of Russia and the political control of that pitiable country by homicidal Communists.

The question now arises whether the unprecedented visit of the British King to the United States and to the White House does in fact publicly signify and confirm an entente or military understanding between President Roosevelt and Secretary of State Hull and the British Government for the preservation of the British Empire at the expense of American blood and American treasure.

Whatever the real facts may be, there is not the least doubt that both in Europe and Asia it is commonly believed that such an understanding and alliance has been made, although Secretary Hull, with a Machiavellian touch, has described our policy as one of "parallel action." This is the very phrase used by Hitler and Mussolini with regard to their cooperation previous to their now announced military treaty.

Under these circumstances it is incumbent upon the President and the Secretary of State to make public proclamation and affirmation of the neutrality of the United States, both in Europe and Asia, and the freedom of the United States from any alliance, written or spoken; and if these executive officers of our Government fail or neglect to do so, then it is incumbent upon the Congress by appropriate resolution to give notice to the world and reassurance to the people in the United States that the United States is not the pawn and ally of the British Empire.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. TINKHAM. I yield.

Mr. AUGUST H. ANDRESEN. The gentleman is very familiar with royal etiquette. When the King and Queen of Great Britain come here to visit us, how soon thereafter must the President and his wife visit the royal couple of Great Britain?

Mr. TINKHAM. My familiarity with royal etiquette is not sufficiently adequate to answer that question. [Laughter.]

Mr. MARCANTONIO. Will the gentleman yield for a question?

Mr. TINKHAM. I yield.

Mr. MARCANTONIO. Does the gentleman know whether the King and Queen have obtained a visa and whether or not the deportation zealots on the Committee on Immigration have investigated into that question?

Mr. TINKHAM. I do not; but I assume they have not.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. COFFEE of Nebraska. Mr. Chairman, I have no further requests for time, and I ask that the bill may be read.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act may be cited as the "Federal Seed Act."

TITLE I—DEFINITIONS

SECTION 101. (a) When used in this act—

(1) The term "United States" means the several States, Alaska, District of Columbia, Hawaii, and Puerto Rico.

(2) The term "person" includes a partnership, corporation, company, society, or association.

(3) The term "interstate commerce" means—

(A) commerce between any State, Territory, possession, or the District of Columbia, and any other State, Territory, possession, or the District of Columbia; or

(B) commerce between points within the same State, Territory, or possession, or the District of Columbia, but through any place outside thereof; or

(C) commerce within the District of Columbia.

(4) For the purposes of this act with respect to labeling for variety and origin (but not in anywise limiting the foregoing definition), seeds shall be considered to be in interstate commerce, or delivered for transportation in interstate commerce, if such seeds are part of, or delivered for transportation in, that current of commerce usual in the transportation and/or merchandising of seeds, whereby such seeds are sent from one State with the expectation that they will end their transit in another, including, in addition to cases within the above general description, all cases where seeds are transported or delivered for transportation to another State, or for processing or cleaning for seeding purposes within the State and shipment outside the State of the processed or cleaned seeds. Seeds normally in such current of commerce shall not be considered out of such current through resort being had to any means or device intended to remove transactions in respect thereto from the provisions of this act.

(5) The term "foreign commerce" means commerce between the United States, its possessions, or any Territory of the United States, and any foreign country.

(6) (a) The term "district court of the United States" means any court exercising the powers of a district court of the United States.

(b) The term "circuit court of appeals," in case the principal place of business or the place of residence of a person against whom a cease and desist order is issued is in the District of Columbia, includes the Court of Appeals of the District of Columbia.

(7) The term—

(A) "Agricultural seeds" shall include grass, forage, and field crop seeds, as follows:

Agropyron cristatum (L.) Beauv.—Crested wheatgrass.

Agropyron pauciflorum (Schwein.) Hitchc.—Slender wheatgrass.

Agropyron smithii Rydb.—Bluestem.

Agrostis alba L.—Redtop.

Agrostis canina L.—Velvet bent.

Agrostis palustris Huds.—Creeping bent.

Agrostis spp. tenuis Sibth.—Bentgrasses.

Avena spp.—Oat.

Beta vulgaris L.—Field beet, excluding sugar beet.

Brassica napus L.—Winter rape.

Bromus inermis Leyss.—Smooth brome.

Chloris gayana Kunth.—Rhodes grass.

Cynosurus cristatus L.—Crested dogtail.

Dactylis glomerata L.—Orchard grass.

Echinochloa crusgalli frumentacea (Roxb.) Wright.—Japanese millet.

Fagopyrum vulgare Hill.—Common buckwheat.

Festuca spp.—Fescue.

Gossypium spp.—Cotton.

Hordeum spp.—Barley.

Lespedeza sericea (Thumb.) Miq.—Chinese lespedeza.

Lespedeza stipulacea Maxim.—Korean lespedeza.

Lespedeza striata (Thumb.) Hook and Arn.—Common and Kobe lespedeza.

Linum usitatissimum L.—Flax.

Lolium multiflorum Lam.—Italian ryegrass.

Lolium perenne L.—Perennial ryegrass.

Medicago arabica (L.) All.—Bur-clover.

Medicago hispida Gaertn.—Bur-clover.

Medicago lupulina L.—Black medick.

Medicago sativa L.—Alfalfa.

Melilotus alba Desr.—White sweetclover.

Melilotus indica (L.) All.—Sourclover.

Melilotus officinalis (L.) Lam.—Yellow sweetclover.

Mel'nis minutiflora Beauv.—Molasses grass.

Oryza sativa L.—Rice.

Panicum fasciculatum Swartz.—Browntop millet.

Panicum miliaceum L.—Proso.

Paspalum dilatatum Poir.—Dallis grass.

Paspalum notatum Fluegge.—Bahia grass.

Pennisetum glaucum (L.) R. Br.—Pearl millet.

Pennisetum purpureum Schumacher.—Napier grass.

Phleum pratense L.—Timothy.

Phalaris arundinacea L.—Reed canary grass.

Pisum sativum arvense L. (Poir.)—Field pea, Austrian winter pea.

Poa annua L.—Annual bluegrass.

Poa compressa L.—Canada bluegrass.

Poa nemoralis L.—Wood bluegrass.

Poa pratensis L.—Kentucky bluegrass.

Poa trivialis L.—Rough bluegrass.

Secale cereale L.—Rye.

Setaria italica (L.) Beauv.—Foxtail, German, Hungarian, or golden millet.

Soja max (L.) Piper.—Soybean.

Sorghum vulgare Pers.—Sorghum.

Sorghum vulgare sudanense (Piper) Hitchc.—Sudan grass.

Stizolobium utile (Wall.) Piper and Tracy.—Velvet-bean.

Trifolium dubium S.bth.—Suckling clover.

Trifolium hybridum L.—Alsike clover.

Trifolium incarnatum L.—Crimson clover.

Trifolium pratense L.—Red clover.

Trifolium repens L.—White clover.

Triticum spp.—Wheat; spelt; emmer.

Vicia angustifolia (L.) Reich.—Narrowleaf vetch.

Vicia atropurpurea Desf.—Purple vetch.

Vicia dasycarpa Ten.—Woollypod vetch.

Vicia monantha Desf.—Monantha vetch.

Vicia pannonica Crantz.—Hungarian vetch.

Vicia sativa L.—Common vetch.

Vicia villosa Roth.—Hairy vetch.

Vigna sinensis (Torner) Savi.—Cowpea.

Zea mays L.—Field corn.

Provided, That the Secretary of Agriculture is authorized by rules and regulations to add to or take from such list of agricultural seed when he finds that any seeds are or are not used for seeding purposes in the United States.

(B) "Vegetable seeds" shall include the seeds of those crops that are or may be grown in gardens or on truck farms and are or may be generally known and sold under the name of vegetable seeds.

(8) (A) For the purpose of title II, the term "weed seeds" means the seeds or bulblets of plants recognized as weeds either by the law or rules and regulations of, or generally in—

(i) The State into which the seed is offered for transportation, or transported; or

(ii) Alaska, Hawaii, Puerto Rico, or District of Columbia into which transported, or District of Columbia in which sold.

(B) For the purpose of title III, the term "weed seeds" means seeds or bulblets of plants which are found by the Secretary of Agriculture to be detrimental to the agricultural interests of the United States, or any part thereof.

(9) (A) For the purpose of title II, the term "noxious-weed seeds" means the seeds or bulblets of plants recognized as noxious—

(i) by the law or rules and regulations of the State into which the seed is offered for transportation, or transported;

(ii) by the law or rules and regulations of Alaska, Hawaii, Puerto Rico, or the District of Columbia, into which transported, or District of Columbia in which sold; or

(iii) by the rules and regulations of the Secretary of Agriculture under this act, when after investigation he shall determine that a weed is noxious in the United States or in any specifically designated area thereof.

(B) For the purpose of title III, the term "noxious-weed seeds" means the seeds of *Lepidium draba* L., *Lepidium repens* (Schrenk) Boiss., *Hymenophyllum pubescens* C. A.; Mey., white top; *Cirsium arvense* (L.) Scop., Canada thistle; *Cuscuta* spp., dodder; *Convolvulus arvensis* L., bindweed; *Centaurea pteris* Pall., Russian knapweed; *Sonchus arvensis* L., perennial sowthistle; *Euphorbia esula* L., leafy spurge; and seeds or bulblets of any other kinds which after investigation the Secretary of Agriculture finds should be included.

(10) The term "origin" means the State, Alaska, District of Columbia, Hawaii, Puerto Rico, or possession of the United States, or the foreign country, or designated portion thereof, where the seed was grown.

(11) The term "kind" means one or more related species or subspecies which singly or collectively is known by one common name, for example, wheat, oat, vetch, sweetclover, cabbage, cauliflower, and so forth.

(12) The term "variety" means a subdivision of a kind which is characterized by growth, plant, fruit, seed, or other characters by which it can be differentiated from other sorts of the same kind, for example, Marquis wheat, Flat Dutch cabbage, Manchu soybeans, Oxheart carrot, etc.

(13) The term "type" means either (A) a group of varieties so nearly similar that the individual varieties cannot be clearly differentiated except under special conditions, or (B) when used with a variety name means seed of the variety named which may be mixed with seed of other varieties of the same kind and of similar character, the manner of and the circumstances connected with the use of the designation to be governed by rules and regulations prescribed under section 402 of this act.

(14) The term "germination" means the percentage of seeds capable of producing normal seedlings under ordinarily favorable conditions (not including seeds which produce weak, malformed, or obviously abnormal sprouts), determined by methods prescribed under section 403 of this act.

(15) The term "hard seeds" means the percentage of seeds which because of hardness or impermeability do not absorb moisture or germinate under prescribed tests but remain hard during the period prescribed for germination of the kind of seed concerned, determined by methods prescribed under section 403 of this act.

(16) The term "live seed" means the percentage of germination plus the percentage of hard seed.

(17) The term "inert matter" means all matter not seeds, and includes among others broken seeds, sterile florets, chaff, fungus bodies, and stones, determined by methods prescribed under section 403 of this act.

(18) The term "pure live seed" for the purpose of title III means that portion of any lot of seed subject to this act that consists of live agricultural or vegetable seed determined by methods prescribed under section 403 of this act.

(19) The term "label" means the display or displays of written, printed, or graphic matter upon or attached to the container of seed.

(20) The term "labeling" includes all labels, and other written, printed, and graphic representations, in any form whatsoever, accompanying and pertaining to any seed whether in bulk or in containers, and includes invoices.

(21) The term "advertisement" means all representations, other than those on the label, disseminated in any manner or by any means, relating to seed within the scope of this act.

(22) Subject to such tolerances as the Secretary of Agriculture is authorized to prescribe under the provisions of this act—

(A) the term "false labeling" means any labeling which is false or misleading in any particular;

(B) the term "false advertisement" means any advertisement which is false or misleading in any particular.

(23) The term "screenings" shall include chaff, sterile florets, immature seed, weed seed, inert matter, and any other materials removed in any way from any seeds in any kind of cleaning or processing and which contain less than 25 percent of live agricultural or vegetable seeds.

(24) The term "in bulk" refers to seed when loose either in vehicles of transportation or in storage, and not to seed in bags or other containers.

TITLE II—INTERSTATE COMMERCE

PROHIBITIONS RELATING TO INTERSTATE COMMERCE IN CERTAIN SEEDS

SECTION 201. It shall be unlawful for any person to transport or deliver for transportation in interstate commerce—

(a) Any agricultural seeds or any mixture of agricultural seeds for seeding purposes, unless each container bears a label giving the following information in accordance with rules and regulations prescribed under section 402 of this act:

(1) The name of (A) kind, or (B) kind and variety, or (C) kind and type, for each agricultural seed component present in excess of 5 percent of the whole and the percentage by weight of each: *Provided*, That such components are expressed in accordance with the category designated under (A), (B), or (C);

(2) Lot number or other identification;

(3) Origin, stated in accordance with paragraph (a) (1) of this section, of each agricultural seed present which has been designated by the Secretary of Agriculture as one on which a knowledge of the origin is important from the standpoint of crop production, if the origin is known, and if each such seed is present in excess of 5 percent. If the origin of such agricultural seed or seeds is unknown, that fact shall be stated;

LXXXIV—430

(4) Percentage by weight of weed seeds, including noxious-weed seeds;

(5) Kinds of noxious-weed seeds and the rate of occurrence of each kind, which rate shall be expressed in accordance with and shall not exceed the rate allowed for shipment, movement, or sale of such noxious-weed seeds by the law and regulations of the State into which the seed is offered for transportation or transported or in accordance with the rules and regulations of the Secretary of Agriculture, when under the provisions of section 101 (a) (9) (A) (iii) he shall determine that weeds other than those designated by State requirements are noxious;

(6) Percentage by weight of agricultural seeds other than those included under paragraph (a) (1) of this section;

(7) Percentage by weight of inert matter;

(8) For each agricultural seed, in excess of 5 percent of the whole, stated in accordance with paragraph (a) (1) of this section, (A) percentage of germination, exclusive of hard seed, (B) percentage of hard seed, if present, (C) percentage of live seed, if hard seed is present, and (D) the calendar month and year the test was completed to determine such percentages;

(9) Name and address of (A) the person who transports, or delivers for transportation, said seed in interstate commerce, or (B) the person to whom the seed is sold or shipped for resale, together with a code designation approved by the Secretary of Agriculture under rules and regulations prescribed under section 402 of this act, indicating the person who transports or delivers for transportation said seed in interstate commerce;

(b) Any vegetable seeds, for seeding purposes, in containers, unless each container bears a label giving the following information in accordance with rules and regulations prescribed under section 402 of this act:

(1) Name of kind and variety of seed;

(2) For seeds which germinate less than the standard last established by the Secretary of Agriculture, as provided under section 403 (c) of this act—

(i) percentage of germination, exclusive of hard seed;

(ii) percentage of hard seed, if present;

(iii) percentage of live seed, if hard seed is present;

(iv) the calendar month and year the test was completed to determine such percentages;

(v) the words "Below Standard"; and

(3) Name and address of—

(A) The person who transports or delivers for transportation, said seed in interstate commerce; or

(B) the person to whom the seed is sold or shipped for resale, together with a code designation approved by the Secretary of Agriculture under rules and regulations prescribed under section 402 of this act, indicating the person who transports or delivers for transportation said seed in interstate commerce.

(c) Any agricultural or vegetable seed unless the test to determine the percentage of germination required by this section shall have been completed within a 5-month period, exclusive of the calendar month in which the test was completed, immediately prior to transportation or delivery for transportation in interstate commerce: *Provided, however*, That the Secretary of Agriculture may by rules and regulations designate: (a) a shorter period for kinds of agricultural or vegetable seed which he finds under ordinary conditions of handling will not maintain, during the aforesaid 5-month period, a germination within the established limits of tolerance; or (b) a longer period not to exceed 9 months, exclusive of the calendar month in which the test was completed, for kinds of agricultural or vegetable seed which he finds under ordinary conditions of handling will maintain during such longer period a germination within the established limits of tolerance.

(d) Any agricultural seeds or vegetable seeds, having a false labeling, or pertaining to which there has been a false advertisement, or to sell or offer for sale such seed for interstate shipment by himself or others.

(e) Seed which is required to be stained under the provisions of this act and the regulations made and promulgated thereunder, and is not so stained.

(f) Seed which has been stained to resemble seed stained in accordance with the provisions of this act and the regulations made and promulgated thereunder.

(g) Seed which is a mixture of seeds which are required to be stained or which are stained with different colors under the provisions of this act and of the regulations made and promulgated thereunder, or which is a mixture of any seed required to be stained under the provisions of this act and of the regulations made and promulgated thereunder, with seed of the same kind produced in the United States.

(h) Screenings of any seed subject to this act, unless they are not intended for seeding purposes; and it is stated on the label, if in containers, or on the invoice if in bulk, that they are intended for cleaning, processing, or manufacturing purposes, and not for seeding purposes.

RECORDS

SEC. 202. All persons transporting, or delivering for transportation, in interstate commerce agricultural or vegetable seeds shall keep such records as may be prescribed by rules and regulations prescribed under section 402 of this act, and the Secretary of Agriculture, or his duly authorized agents, shall have the right to inspect such records for the purpose of the effective administration of this act.

EXEMPTIONS

SEC. 203. (a) The provisions of sections 201 and 202 shall not apply to any carrier in respect to any seed transported or delivered

for transportation in the ordinary course of its business as a carrier: *Provided*, That such carrier is not engaged in processing or merchandising seed subject to the provisions of this act; and such provisions shall not apply to seeds incidentally sold by a farmer and delivered on his own premises directly to the consumer: *Provided*, That such farmer sells only such seeds as may have been produced by him and does not advertise such seeds for sale and does not sell any seeds not produced by him and does not deliver seeds so sold by mail or by any common carrier.

(b) The provisions of section 201 (a) or (b) shall not apply—

(1) to seed or grain not intended for seeding purposes when transported or offered for transportation in ordinary channels of commerce usual for such seed or grain intended for manufacture or for feeding; or

(2) to seed intended for seeding purposes when transported or offered for transportation in interstate commerce—

(A) if in bulk, in which case, however, the invoice pertaining to such seed shall bear the various statements required for the respective seeds under section 201 (a) and (b); or

(B) if consigned to a seed cleaning or processing establishment, to be cleaned or processed for seeding purposes: *Provided*, That this fact is so stated in the invoice, if in bulk, or on attached labels, if in containers: *Provided further*, That any such seed later to be labeled as to origin and/or variety, and for which consecutive records are necessary to establish these facts, shall be labeled as to these items in accordance with rules and regulations prescribed under section 402 of this act.

(c) When the Secretary of Agriculture finds that, because of the time interval between seed harvesting and sowing, or because of an emergency beyond human control, the information required by this act as to the germination, and hard and live seed of certain kinds of seeds, cannot be given prior to transportation or delivery for transportation in interstate commerce, he may promulgate, with or without a hearing, rules and regulations providing that the provisions of section 201 (a) and (b) as to the required labeling for germination and hard and live seed shall not apply for such period and to such kinds of seed as he may specify in his said rules and regulations.

(d) The provisions of section 201 (a) and (b) relative to the labeling of agricultural and vegetable seeds with the percentages of the kind or variety or type of seeds shall not be deemed violated if there be other seeds in the container or bulk which could not be, or were not, identified because of their indistinguishability in appearance from the seeds intended to be transported or delivered for transportation in interstate commerce, provided that the records of the person charged with the duty under said section of labeling or invoicing the seeds, kept in accordance with the rules and regulations of the Secretary of Agriculture, together with other pertinent facts, disclose that said person has taken all proper precautions to insure the identity to be that stated.

DISCLAIMERS AND NONWARRANTIES

SEC. 204. The use of a disclaimer or nonwarranty clause in any invoice, advertising, labeling, or written, printed, or graphic matter, pertaining to any seed shall not constitute a defense, or be used as a defense in any way, in any prosecution, or in any proceeding for confiscation of seeds, brought under the provisions of this act, or the rules and regulations made and promulgated thereunder.

FALSE ADVERTISING

SEC. 205. It shall be unlawful for any person to disseminate, or cause to be disseminated, any false advertisement concerning seed, by the United States mails, or in interstate or foreign commerce, in any manner or by any means, including radio broadcasts: *Provided, however*, That no person, advertising agency, or medium for the dissemination of advertising, except the person who transported, delivered for transportation, sold, or offered for sale seed to which the false advertisement relates, shall be liable under this section by reason of disseminating or causing to be disseminated any false advertisement, unless he or it has refused, on the request of the Secretary of Agriculture, to furnish the Secretary the name and post-office address of the person, or advertising agency, residing in the United States, who caused, directly or indirectly, the dissemination of such advertisement.

TITLE III—FOREIGN COMMERCE

PROHIBITIONS AND PROCEDURES RELATING TO IMPORTATIONS

SECTION 301. (a) The importation into the United States is prohibited of—

(1) any seed containing 10 percent or more of any agricultural or vegetable seeds if any such seed is adulterated or unfit for seeding purposes, or is required to be stained and is not so stained, under the terms of this title, or the labeling of which is false or misleading in any respect;

(2) screenings of any seeds subject to title III of this act (except that this shall not apply to screenings of wheat, oats, rye, barley, buckwheat, field corn, sorghum, broomcorn, flax, millet, proso, soybeans, cow peas, field peas, or field beans, which are not imported for seeding purposes and are declared for cleaning, processing, or manufacturing purposes, and not for seeding purposes);

(3) any seed containing 10 percent or more of the seeds of alfalfa or red clover, which has been stained prior to being offered for entry in a manner that does not permit compliance with the provisions of this title and the regulations made and promulgated thereunder.

SEC. 302. (a) The Secretary of the Treasury shall deliver to the Secretary of Agriculture, subject to joint rules and regulations prescribed under section 402 of this act, samples of seed and screen-

ings which are being imported into the United States, or offered for import, giving notice thereof to the consignee, and if it appears from the examination of such samples that any seed or screenings offered to be imported into the United States are subject to the provisions of this title and do not comply with the provisions of this title, or if the labeling of such seed is false or misleading in any respect, such seed or screenings shall be refused admission, and the Secretary of the Treasury shall refuse delivery to the consignee, who may appear, however, before the Secretary of Agriculture and show cause why the seed or screenings should be admitted. Seed or screenings refused admission and not exported by the consignee within 12 months from the date of notice of such refusal shall be destroyed in accordance with joint rules and regulations prescribed under section 402 of this act: *Provided*, That the Secretary of the Treasury may deliver to the consignee such seed or screenings pending examination and decision in the matter or for staining, if it be seed which is required to be stained, or for cleaning, on the execution of a redelivery bond for such amount as may be necessary under joint rules and regulations prescribed under section 402 of this act, and on refusal to return such seed or screenings for any cause to the custody of the Secretary of the Treasury, when demanded, for the purpose of excluding such seed or screenings from the country, or for any other purpose, said consignee shall forfeit the full amount of the bond as liquidated damages: *And provided further*, That all charges for storage, cartage, and labor on the seed or screenings which are refused admission or delivery, shall be paid by the owner or consignee, and in default of such payment shall constitute a lien against future importation made by such owner or consignee.

(b) The refuse from any seeds or screenings which are allowed to be cleaned under bond shall be destroyed in accordance with joint rules and regulations prescribed under section 402 of this act.

(c) The provisions of this title shall not apply—

(1) when seed is shipped in bond through the United States, or

(2) when the Secretary of Agriculture finds that a substantial proportion of the importations of any kind of seed is used for other than seeding purposes, and he provides by rules and regulations that seed of such kind not imported for seeding purposes shall be exempted from the provisions of the act: *Provided*, That importations of such kinds of seed shall be accompanied by a declaration setting forth the use for which imported when and as required under joint rules and regulations prescribed under section 402 of this act.

ADULTERATED SEED

SEC. 303. Seed subject to the provisions of section 301 is adulterated if any kind of such seed contains more than 5 percent by weight of seed or seeds of another kind or kinds of similar appearance: *Provided*, That the mixture of the seed of white and alsike clover, or red clover and alsike clover, shall not be deemed to be adulterated, and that other seed mixtures of similar kinds of seeds of similar appearance shall not be deemed to be adulterated when the Secretary of Agriculture finds and prescribes by order that the importation of such seed mixtures for planting is not detrimental to the user of such seeds.

SEED UNFIT FOR SEEDING PURPOSES

SEC. 304. Seed subject to the provisions of section 301 is unfit for seeding purposes—

(a) If any such seed contains noxious-weed seed at a rate in excess of—

(1) one noxious-weed seed in each 10 grams of the seed of timothy, orchard grass, bromegrass, crested wheatgrass, slender wheatgrass, ryegrass, sweetclover, alfalfa, millet, rape, flax, clovers, and species of *Agrostis*, *Festuca*, or *Poa*, or any kind of seed of a size and weight similar to or less than those named;

(2) one noxious-weed seed in each 25 grams of the seed of sorghum, Sudan grass, and buckwheat, or any kind of seed of a size and weight greater than the seeds referred to in (a) (1), but less than seeds referred to in (a) (3) of this section;

(3) one noxious-weed seed in each 100 grams of the seed of wheat, oats, rye, barley, vetches, and corn, or any seed of a size and weight similar to or greater than such seed.

(b) If any such seed contains more than 2 percent by weight of weed seeds; or

(c) If any such seed contains less than 75 percent of pure, live seed, or if any component of such seed present to the extent of 10 percent or more contains less than 75 percent of live seed: *Provided*, That when the Secretary of Agriculture shall find that any such seed or any kind of seed present to the extent of 10 percent or more cannot be produced to contain 75 percent of pure, live seed, he may set up such standard from time to time for pure, live seed as he finds can be produced.

CERTAIN SEEDS REQUIRED TO BE STAINED

SEC. 305. (a) Any seed containing 10 percent or more of the seeds of alfalfa and/or red clover, subject to the provisions of section 301, shall be stained in such manner and to such extent as the Secretary of Agriculture by regulation may prescribe and, when practicable, the color produced by such stain shall indicate the country or region of origin.

(b) Whenever the Secretary of Agriculture, after public hearing, determines that seed of alfalfa or red clover from any foreign country or region is not adapted for general agricultural use in the United States, he shall publish such determination. On and after the expiration of 90 days after the date of such publication, and until such determination is revoked, 10 percent or

more of the seeds in each container of such alfalfa or red clover seed, or any seed containing 10 percent or more of such alfalfa or red clover seed, shall be stained a red color, in accordance with such regulations as the Secretary of Agriculture may prescribe.

(c) Whenever the origin of the seed of alfalfa or of red clover present in excess of 10 percent in any seed subject to section 301 of this act is unestablished, 10 percent of the seed in each container shall be stained a red color.

(d) Whenever the seeds of alfalfa or of red clover of different origins are present in excess of 10 percent in any seed subject to section 301 of this act, and different colors are required by reason of such different origins, 10 percent of the seed in each container shall be stained red.

(e) Whenever any seed required to be stained under the provisions of this act is commingled with seed of the same kind grown in the United States, the seed in each container thereof shall be stained 10 percent red.

CERTAIN ACTS PROHIBITED

SEC. 306. It shall be unlawful for any person—

- (a) To sell or offer for sale—
 - (1) any seed for seeding purposes if imported under this title for other than seeding purposes;
 - (2) any screenings of any seeds for seeding purposes if imported under this title for other than seeding purposes;
 - (3) any seed which is prohibited entry under the provisions of this act;
 - (4) any seed which has been stained to resemble seed stained in accordance with the provisions of this act and the rules and regulations made and promulgated thereunder;
 - (5) any seed stained under the provisions of this act and the rules and regulations made and promulgated thereunder, when mixed with seed of the same kind produced in the United States;
 - (6) any seed stained with different colors;
 - (7) any seed stained under the provisions of this act, the labeling of which states that such seed is adapted.
- (b) To change the proportion of seeds stained under the provisions of this act and the rules and regulations made and promulgated thereunder, or to alter, modify, conceal, or remove in any manner or by any means the color of such stained seeds.

TITLE IV—GENERAL PROVISIONS

DELEGATION OF DUTIES

SECTION 401. Any duties devolving upon the Secretary of Agriculture by virtue of the provisions of this act may with like force and effect be executed by such officer or officers, agent or agents, of the Department of Agriculture as the Secretary may designate for the purpose.

RULES AND REGULATIONS

SEC. 402. (a) The Secretary of Agriculture shall make such rules and regulations as he may deem necessary for the effective enforcement of this act, except as otherwise provided in this section.

(b) The Secretary of the Treasury and the Secretary of Agriculture shall make, jointly or severally, such rules and regulations as they may deem necessary for the effective enforcement of title III of this act.

(c) Prior to the promulgation of any rule or regulation under this act, due notice shall be given by publication in the Federal Register of intention to promulgate and the time and place of a public hearing to be held with reference thereto, and no rule or regulation may be promulgated until after such hearing. Any rule or regulation shall become effective on the date fixed in the promulgation, which date shall be not less than 30 days after publication in the Federal Register, and may be amended or revoked in the manner provided for its promulgation.

STANDARDS, TESTS, AND TOLERANCES

SEC. 403. (a) The samplings, analyses, tests, or examinations of seeds made in connection with the administration of this act shall be made by methods set forth by rules and regulations prescribed under section 402 of this act.

(b) The Secretary of Agriculture is authorized and directed to make and promulgate by rules and regulations, reasonable tolerances as to the percentages and rates of occurrence required to be stated or required by this act.

(c) For the purpose of section 201 (b) of this act, the Secretary of Agriculture is authorized and directed to investigate, determine, establish, and promulgate from time to time such reasonable standards of germination for each kind of vegetable seed as will in his judgment best protect crop production.

PROHIBITION AGAINST ALTERATIONS

SEC. 404. No person shall detach, alter, deface, or destroy any label provided for in this act or the rules and regulations made and promulgated thereunder by the Secretary of Agriculture, or alter or substitute seed in a manner that may defeat the purpose of this act.

SEIZURE

SEC. 405. (a) Any seed sold, delivered for transportation in interstate commerce, or transported in interstate or foreign commerce in violation of any of the provisions of this act shall, at the time of such violation or at any time thereafter, be liable to be proceeded against on libel of information and condemned in any district court of the United States within the jurisdiction of which the seed is found.

(b) If seed is condemned by a decree of the court as being in violation of the provisions of this act, it may be disposed of by the court by—

- (1) sale; or
 - (2) delivery to the owner thereof after he has appeared as claimant and paid the court costs and fees and storage and other proper expenses and executed and delivered a bond with good and sufficient sureties that such seed will not be sold or disposed of in any jurisdiction contrary to the provisions of this act and the rules and regulations made and promulgated thereunder, or the laws of such jurisdiction; or
 - (3) destruction.
- (c) If such seed is disposed of by sale, the proceeds of the sale, less the court costs and fees and storage and other proper expenses, shall be paid into the Treasury as miscellaneous receipts, but such seed shall not be sold or disposed of in any jurisdiction contrary to the provisions of this act and the rules and regulations made and promulgated thereunder, or the laws of such jurisdiction.

(d) The proceedings in such libel cases shall conform, as nearly as may be, to the proceedings in admiralty, except that either party may demand trial by jury of any issue of fact joined in any such case; and such proceedings shall be at the suit of and in the name of the United States.

PENALTIES

SEC. 406. Any person who violates any provision of this act or the rules and regulations made and promulgated thereunder shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall pay a fine of not more than \$1,000, for the first offense, and upon conviction for each subsequent offense not more than \$2,000.

SEC. 407. When construing and enforcing the provisions of this act, the act, omission, or failure of any officer, agent, or other person acting for or employed by any person, partnership, corporation, company, society, or association, shall in every case be also deemed to be the act, omission, or failure of such person, partnership, corporation, company, society, or association, as well as that of the person employed.

SEC. 408. Before any violation of this act is reported by the Secretary of Agriculture to any United States attorney for institution of a criminal proceeding, the person against whom such proceeding is contemplated shall be given appropriate notice and an opportunity to present his views, either orally or in writing, with regard to such contemplated proceeding.

CEASE AND DESIST PROCEEDINGS

SEC. 409. (a) Whenever the Secretary of Agriculture has reason to believe that any person has violated or is violating any of the provisions of this act or the rules and regulations made and promulgated thereunder, he shall cause a complaint in writing to be served upon the person, stating his charges in that respect, and requiring the person to attend and testify at a hearing at a time and place designated therein, at least 30 days after the service of such complaint; and at such time and place there shall be afforded the person a reasonable opportunity to be informed as to the evidence introduced against him (including the right of cross-examination), and to be heard in person or by counsel and through witnesses, under such rules and regulations as the Secretary of Agriculture may prescribe. At any time prior to the close of the hearing the Secretary of Agriculture may amend the complaint; but in case of any amendment adding new provisions the hearing shall, on the request of the person, be adjourned for a period not exceeding 15 days.

(b) If, after such hearing, the Secretary of Agriculture finds that the person has violated or is violating any provisions of the act or rules and regulations covered by the charges, he shall make a report in writing in which he shall state his findings as to the facts, and shall issue and cause to be served on the person an order requiring such person to cease and desist from continuing such violation. The testimony taken at the hearing shall be reduced to writing and filed in the records of the Department of Agriculture.

(c) Until a transcript of the record in such hearing has been filed in a district court of the United States, as provided in section 410, the Secretary of Agriculture at any time, upon such notice and in such manner as he deems proper, but only after reasonable opportunity to the person to be heard, may amend or set aside the report or order, in whole or in part.

(d) Complaints, orders, and other processes of the Secretary of Agriculture under this section may be served by anyone duly authorized by the Secretary of Agriculture, either (1) by delivering a copy thereof to the person to be served, or to a member of the partnership to be served, or to the president, secretary, or other executive officer, or a director of the corporation to be served; or (2) by leaving a copy thereof at the principal office or place of business of such person, partnership, or corporation; or (3) by registering and mailing a copy thereof addressed to such person, partnership, or corporation at his or its last known principal office or place of business. The verified return by the person so serving said complaint, order, or other process setting forth the manner of said order shall be proof of the same, and the return post-office receipt for said complaint, order, or other process registered and mailed as aforesaid shall be proof of the service of the same.

SEC. 410. An order made under section 409 shall be final and conclusive unless within 30 days after the service the person appeals to the circuit court of appeals for the circuit in which such

person resides or has his principal place of business by filing with the clerk of such court a written petition praying that the Secretary's order be set aside or modified in the manner stated in the petition, together with a bond in such sum as the court may determine, conditioned that such person will pay the costs of the proceedings if the court so directs.

The clerk of the court shall immediately cause a copy of the petition to be delivered to the Secretary, and the Secretary shall forthwith prepare, certify, and file in the court a full and accurate transcript of the record in such proceedings, including the complaint, the evidence, and the report and order. If before such transcript is filed the Secretary amends or sets aside his report or order, in whole or in part, the petitioner may amend the petition within such time as the court may determine, on notice to the Secretary.

At any time after such transcript is filed the court, on application of the Secretary, may issue a temporary injunction restraining, to the extent it deems proper, the person and his officers, directors, agents, and employees from violating any of the provisions of the order pending the final determination of the appeal.

The evidence so taken or admitted, duly certified and filed as aforesaid as a part of the record, shall be considered by the court as the evidence in the case. The proceedings in such cases in the circuit court of appeals shall be made a preferred cause and shall be expedited in every way.

The court may affirm, modify, or set aside the order of the Secretary.

If the court determines that the just and proper disposition of the case requires the taking of additional evidence, the court shall order the hearing to be reopened for the taking of such evidence, in such manner and upon such terms and conditions as the court may deem proper. The Secretary may modify his findings as to the facts, or make new findings, by reason of the additional evidence so taken, and he shall file such modified or new findings and his recommendations, if any, for the modification or setting aside of his order, with the return of such additional evidence.

If the circuit court of appeals confirms or modifies the order of the Secretary, its decree shall operate as an injunction to restrain the person and his officers, directors, agents, and employees from violating the provisions of such order or such order as modified.

SEC. 411. If any person against whom an order is issued under section 409 fails to obey the order, the Secretary of Agriculture, or the United States, by its Attorney General, may apply to the circuit court of appeals of the United States, within the circuit where the person against whom the order was issued resides or has his principal place of business, for the enforcement of the order, and shall certify and file with its application a full and accurate transcript of the record in such proceedings, including the complaint, the evidence, the report, and the order. Upon such filing of the application and transcript the court shall cause notice thereof to be served upon the person against whom the order was issued. The evidence to be considered, the procedure to be followed, and the jurisdiction of the court shall be the same as provided in section 410 for applications to set aside or modify orders.

The proceedings in such cases shall be made a preferred cause and shall be expedited in every way.

SEPARABILITY OF PROCEEDINGS

SEC. 412. The institution of any one of the proceedings provided for in sections 405, 409, 410, and 411, or criminal prosecution under section 406 shall not bar institution of any of the others. However, nothing in this act shall be construed as requiring the Secretary of Agriculture to recommend prosecution or institution of libel proceedings, cease-and-desist proceedings or proceedings for the enforcement of a cease-and-desist order, for minor violations of this act whenever he believes that the public interest will be adequately served by suitable written notice or warning.

SEC. 413. (a) That in carrying on the work herein authorized, the Secretary of Agriculture, or any officer or employee designated by him for such purpose, shall have power to hold hearings, administer oaths, sign and issue subpoenas, examine witnesses, take depositions, and require the production of books, records, accounts, memoranda, and papers, and have access to office and warehouse premises. Upon refusal by any person to appear, testify, or produce pertinent books, records, accounts, memoranda, and papers in response to a subpoena, or to permit access to premises, the proper United States district court shall have power to compel obedience thereto.

(b) Witnesses summoned before the Secretary or any officer or employee designated by him shall be paid the same fees and mileage that are paid witnesses in the courts of the United States, and witnesses whose depositions are taken and the persons taking the same shall severally be entitled to the same fees as are paid for like service in the courts of the United States.

PUBLICATION

SEC. 414. After judgment by the court, or the issuance of a cease-and-desist order, in any case arising under this act, notice thereof shall be given by publication in such manner as may be prescribed in the rules and regulations made and promulgated under this act.

AUTHORIZATION FOR APPROPRIATIONS

SEC. 415. (a) There is hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, such sums as may be necessary for administering this act.

(b) Funds appropriated for carrying into effect the purpose of this act shall be available for allotment by the Secretary of Agriculture to the bureaus and offices of the Department of Agriculture and for transfer to other departments and agencies of the Government which the Secretary of Agriculture may call upon to assist or cooperate in carrying out such purposes or for services rendered or to be rendered in connection therewith.

AUTHORIZATION FOR EXPENDITURES

SEC. 416. The Secretary of Agriculture is authorized to make such expenditures for rent outside of the District of Columbia, printing, binding, telegrams, telephones, books of reference, publications, furniture, stationery, office and laboratory equipment, travel, and other supplies, including reporting services, such research necessary to develop methods of processing, bulking, blending, sampling, testing, and merchandising seeds and such other expenses necessary to the administration of this act in the District of Columbia and elsewhere, and as may be appropriated for by the Congress.

COOPERATION

SEC. 417. The Secretary of Agriculture is authorized to cooperate with any other department or agency of the Federal Government; or with any State, Territory, District, or possession, or department, agency, or political subdivision thereof; or with any producing, trading, or consuming organization, whether operating in one or more jurisdictions, in carrying out the provisions of this act.

SEPARABILITY OF PROVISIONS

SEC. 418. If any provision of this act, or the application thereof to any person or circumstance, is held invalid, the remainder of the act, and the application of such provisions to other persons or circumstances, shall not be affected thereby.

REPEALS

SEC. 419. The Seed Importation Act, approved August 24, 1912, as amended August 11, 1916, and as amended April 26, 1926 (7 U. S. C., 111-116, inclusive), is hereby repealed on the 180th day after the passage of this act: *Provided, however*, That the notices with respect to imported alfalfa and red clover seed promulgated by the Secretary of Agriculture under the authority of the Seed Importation Act, approved August 24, 1912, as amended (7 U. S. C., 111-116, inclusive), and now in effect, shall remain with the same full force and effect as if promulgated under this act.

EFFECTIVE DATE

SEC. 420. This act shall take effect as follows: As to agricultural seeds, and the importation of vegetable seeds, on the 180th day after its enactment; as to vegetable seeds in interstate commerce, 1 year after its enactment; and as to sections 401, 402, and 403, on the date of its enactment.

Mr. COFFEE of Nebraska (during the reading of the bill). Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with and that it be printed in full in the RECORD, and that amendments may be offered at any place in the bill.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendment: Page 3, line 25, strike out the abbreviation "spp." and strike out the words "tenuis Sibth."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 4, line 2, after the word "beet" insert the word "excluding."

The committee amendment was agreed to.

The Clerk read as follows:

Page 7, lines 7 and 8, strike out the words "of, or generally in."

The amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 8, line 11, strike out the semicolon and add a comma.

The amendment was agreed to.

The Clerk read as follows:

Page 8, line 13, following the word "thistle" strike out the comma and add a semicolon.

The amendment was agreed to.

The Clerk read as follows:

Page 8, line 13, following the semicolon, after the word "dodder" add the words "Agropyron repens (L.) Beauv., quackgrass: Sorghum halepense (L.) Pers. Johnson grass."

The committee amendment was agreed to.

The Clerk read as follows:

Page 8, line 15, strike out the comma and insert a semicolon.

The committee amendment was agreed to.

The Clerk read as follows:

Page 10, strike out lines 4 and 5.

The committee amendment was agreed to.

The Clerk read as follows:

Page 10, line 6, strike out "(17)" and insert "(16)."

The amendment was agreed to.

The Clerk read as follows:

Page 10, line 10, strike out "(18)" and insert "(17)."

Page 10, line 14, strike out "(19)" and insert "(18)."

Page 10, line 17, strike out "(20)" and insert "(19)."

Page 10, line 21, strike out "(21)" and insert "(20)."

Page 11, line 1, strike out "(22)" and insert "(21)."

Page 11, line 9, strike out "(23)" and insert "(22)."

Page 11, line 14, strike out "(24)" and insert "(23)."

The committee amendments were agreed to.

The Clerk read as follows:

Page 13, line 12, after "(C)" strike out the remainder of the line and the word "and (D)" in line 13.

The committee amendment was agreed to.

The Clerk read as follows:

Page 14, line 10, strike out all of line 10.

The committee amendment was agreed to.

The Clerk read as follows:

Page 14, line 11, strike out "(iv)" and insert "(iii)."

The committee amendment was agreed to.

The Clerk read as follows:

Page 14, line 13, strike out "(v)" and insert "(iv)."

The committee amendment was agreed to.

The Clerk read as follows:

Page 15, line 15, strike out "seeds," and insert "seeds".

The committee amendment was agreed to.

The Clerk read as follows:

Page 17, line 3, after the word "seeds", strike out the remainder of line 3 and all down to and including line 8, and insert: "produced by any farmer on his own premises and sold by him directly to the consumer, provided such farmer is not engaged in the business of selling seeds not produced by him."

Mr. COFFEE of Nebraska. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. COFFEE of Nebraska to the committee amendment: On page 17, line 11, after the word "him", strike out the period, insert a comma and the words "Provided further, That such seeds produced or sold by him are in compliance with the seed laws of the State into which the seed is transported."

Mr. COFFEE of Nebraska. Mr. Chairman, I feel that this amendment should be accepted. It has been discussed fully with the members of the committee, and with one exception all have agreed to the amendment.

The amendment provides that a farmer shipping seed across a State line must comply with the laws of the State into which the seed is shipped; for instance, without this amendment a farmer living outside a certain State might sell substandard seed into that particular State and thus do what the citizens of that State themselves could not do under their State law. In other words, it is going to make the man who is selling seed across a State line comply with the laws of the State into which the seed is shipped. I may say in passing that a very small percentage of the seed sold is sold by farmers across State lines.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield?

Mr. COFFEE of Nebraska. I yield.

Mr. JOHNSON of Oklahoma. Would this bill prohibit alfalfa growers who might happen to reside in Oklahoma where our farmers grow as fine grade alfalfa as can be found anywhere in the world, from shipping their seed across the line into Texas, Arkansas, Kansas, or any other State?

Mr. COFFEE of Nebraska. I will say to the gentleman that if your Oklahoma grower is not engaged in the business of

selling seed not produced by him and sells his own seed directly to the consumer in another State, he would be required under this amendment to comply with the seed law of the State into which the seed is transported. If the seed is not being sold directly from the grower to the consumer and goes into interstate commerce, it must be labeled in accordance with the provisions of this bill showing its origin, germination, and so forth. In that connection, I want to say to my friend from Oklahoma that one of the most flagrant abuses which this measure seeks to correct is the misrepresentation of southern alfalfa seed which is not adapted to the northern climate. The same practice prevails in connection with certain northern seeds that are not adapted to the South. There are no labeling requirements under our present Federal seed law and as a consequence some itinerant truckers and some unscrupulous dealers sell vast quantities of southern unadapted alfalfa seed in Northern States which results in millions of dollars of loss to the farmers who plant this seed that winter-kills. This bill is designed to protect the seed buyer. It requires in the case of alfalfa that the place of origin be stated on the label. If the farmer knows where the seed was grown he knows whether or not it is adapted to his climatic conditions. Certainly he is entitled to this protection.

Mr. JOHNSON of Oklahoma. Mr. Chairman, will the gentleman yield for a further question?

Mr. COFFEE of Nebraska. I yield.

Mr. JOHNSON of Oklahoma. I take it from the gentleman's remarks then that it is not the purpose of this bill to prevent the shipping of alfalfa seed from the South to the North, but only make it certain that good seeds are shipped.

Mr. COFFEE of Nebraska. This measure will curb the shipping of unadapted alfalfa seed from the South to the North. It will also curb the sales in the South of northern-grown unadapted seeds. I do not know how far north the Oklahoma alfalfa seed would be adapted. If we put the information on the label the legitimate seed dealer as well as the farmer will be protected. If the seed is adapted the farmer will buy it.

Mr. JOHNSON of Oklahoma. I may say to the gentleman from Nebraska that I have had a number of complaints from well-known alfalfa growers in Oklahoma, who specialize in growing very fine alfalfa seed, that Oklahoma seeds have been discriminated against by other sections of the country. Certainly I would not like to support a measure here to add more red tape and unreasonable restrictions, or a bill that might work a hardship on growers of good seeds in my own State of Oklahoma.

[Here the gavel fell.]

Mr. HINSHAW. Mr. Chairman, a parliamentary inquiry. The CHAIRMAN. The gentleman will state it.

Mr. HINSHAW. Mr. Chairman, I have an amendment at the desk. When will it be considered?

The CHAIRMAN. That will be taken up after the disposition of the committee amendments.

Mr. GILCHRIST. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amendment offered by the gentleman provides that when a farmer sells direct, on his own farm, for transportation anywhere else, that farmer must comply with the law of the State into which the seed is transported.

Answering my friend here who propounded a question a while ago, if a farmer in South Dakota wished to sell seed in the State of Maine he would have to discover what the laws of the State of Maine were and comply with those laws, even though the transaction took place on his farm in South Dakota. To give the gentleman another illustration, even though a neighbor should come to this farmer to see a horse, a cow, or an ox, and during the course of the conversation they talked about seed corn, which, of course, does not contain noxious weeds, and Bill says to Jim: "Well, ship me some of that over into the State of Ohio," Bill living in Ohio and Jim in Illinois—that is an interstate transaction. It has been held over and over again by our

courts that the sale in one State of a commodity for shipment into another State is an interstate transaction.

The amendment offered by the gentleman from Nebraska differs from the amendment adopted by the committee. The amendment adopted by the committee would allow a farmer to sell on his own farm even though it went into interstate shipment. I think that is as far as we ought to go.

I did not intend to object to the bill, although I am not inclined to be for it; but I think the committee amendment is much better than the pending amendment for the reason I have named. As stated by my friend from South Carolina the fact is that such a case does not happen once in 10,000 times, where a man in one State buys seed from a farmer on that other farmer's farm in another State; but when that does occur let the farmer who sells comply with the law of the State where the transaction occurs.

Mr. CARLSON. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. CARLSON. I thoroughly agree with the gentleman's viewpoint. There are numerous cases of farmers living along State lines. These transactions should be measured by the law of the State where the transaction occurs, and not the law of some foreign State.

Mr. AUGUST H. ANDRESEN. Mr. Chairman, will the gentleman yield?

Mr. GILCHRIST. I yield.

Mr. AUGUST H. ANDRESEN. Does not the gentleman feel that if a farmer from Minnesota goes across the line into Iowa and buys seed from a farmer in Iowa that the transaction is completed in the State of Iowa?

Mr. GILCHRIST. We have a completed transaction in the State of Iowa, but that does not answer the question whether it is a Federal or non-Federal transaction. For instance, the gentleman from North Dakota [Mr. LEMKE], can tell you about his famous North Dakota provision covering the control of wheat. That was knocked out by the Supreme Court, because just as soon as the wheat was sold in North Dakota for shipment somewhere else it became an interstate transaction. Just the other day the Supreme Court held in a certain case practically the same thing. The actual sale of a thing on my farm in Iowa for transportation into a foreign State constitutes an interstate transaction.

Mr. AUGUST H. ANDRESEN. I do not think there is any question about that. I believe the gentleman's interpretation is always good on this as well as many other subjects.

Mr. GILCHRIST. I thank the gentleman.

[Here the gavel fell.]

Mr. PIERCE of Oregon. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I am very much in favor of the pending amendment, and I can see no objection to it at all. I am also deeply interested in this bill.

During the past year I have made an intense study of the noxious-weed problem, and I was astonished, as well versed as I was in it before I made the study, at the extent of the spread of noxious weeds. They were being spread by seed companies, by experimental stations, and by farmers selling seed which contained noxious weeds. The loss every year runs into millions of dollars and has become so great that the Department of Agriculture is thoroughly aroused.

A former colleague of ours from Idaho introduced a weed-control bill in the Seventy-fourth and Seventy-fifth Congresses, but we could never get any action by the Department of Agriculture so that the bill could be brought before the Congress for consideration. Within the last 3 or 4 weeks the Department of Agriculture has admitted that these noxious weeds constitute a national problem. That Department is now cooperating with us in bringing a real noxious-weed bill into the Congress for consideration at the next session, when we shall ask for early hearings.

The pending amendment, Mr. Chairman, permits the control of seeds that farmers ship across State lines. Why should we not so provide? In Oregon we have been seeded

down with white top, a noxious weed coming out of Idaho and across the line into Oregon. If they are going to sell seed from Idaho over in Oregon let them comply with the Oregon law. Most of the Western States have pure-seed laws now. This law is needed, however, for interstate shipments. I think a farmer should have some leeway, as provided in this bill. However, the original bill was too broad, but through the amendment offered by the gentleman from Nebraska [Mr. COFFEE], it is brought into proper shape, so that it is practical and useful. The bill should be passed with this amendment.

The fear of our friend and colleague, the gentleman from Iowa, is simply drawn out of the blue. As has been stated, it is one of those things that perhaps will never happen. Farmers who have seed to sell are not numerous. However, if a farmer is going to ship seed from Idaho into Oregon, or if a farmer in Oregon is going to ship seed into Washington, he ought to know and can easily find out about the seed laws of the State into which he is going to ship.

Let him comply with those laws. That is all there is to this.

I am very much in favor of the amendment.

Mr. GILCHRIST. Will the gentleman yield?

Mr. PIERCE of Oregon. I yield to the gentleman from Iowa.

Mr. GILCHRIST. We are just simply discussing a condition where one farmer sells to another on a farmer's farm.

Mr. PIERCE of Oregon. Yes. And he should comply with the law where the seed is going.

Mr. GILCHRIST. We are only dealing with one subject, where one farmer sells another on a farmer's farm, and the farmer who sells is not engaged in business. That is all we are talking about.

Mr. PIERCE of Oregon. Yes.

Mr. GILCHRIST. There can be no harm in allowing the farmer who is not engaged in the business to sell. When his cousin comes over and says, "Let me have a bushel of this," and he sells it, and if it does not comply with the State law then he goes to the penitentiary.

Mr. PIERCE of Oregon. Let him comply with the law of the State where the seed is going.

Mr. COFFEE of Nebraska. Will the gentleman yield?

Mr. PIERCE of Oregon. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. May I say to the gentleman from Iowa [Mr. GILCHRIST] the bill as it stands provides for the farmer who sells directly to the consumer. It does not mean he must sell on the farm. He can sell directly to the consumer by going across the State line and delivering in the other State.

Mr. GILCHRIST. It is an interstate transaction if he goes into the other State.

[Here the gavel fell.]

The CHAIRMAN. The question is on the committee amendment to the committee amendment offered by the gentleman from Nebraska [Mr. COFFEE].

The committee amendment to the committee amendment was agreed to.

The committee amendment, as amended, was agreed to.

Mr. HINSHAW. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The Clerk read as follows:

Amendment offered by Mr. HINSHAW: Page 17, line 2, after the word "Act" strike out the semicolon, the balance of line 2 and all of lines 3 to 11, inclusive, and insert a period.

Mr. HINSHAW. Mr. Chairman, the purpose of my amendment is to make the act applicable to all alike. If we could all realize how very important to our farmers is the control of noxious weeds, I am sure you would wish to see that all people who dispense seeds are treated equally and alike.

One can conceive of a tremendous complication to the farmer engaged commercially in the seed business, so to speak, selling some particular seed which he grows and shipping that seed into three or four different States, in trying to determine and carry out the laws of the several States

into which he would ship the seed. My amendment does not affect the farmer who sells seed to his neighbor in his own State; it simply eliminates the exemption to the farmer who is in the seed-growing and selling business, growing the seed himself and selling direct to the consumer in other States, placing him on the same responsible basis as others affected by this act.

On June 17, 1938, a conference was held called the Western Weed Control Conference, at Denver, Colo. A number of resolutions of very great importance were prepared, offered, and adopted by that conference. They brought out the fact, for example, that there was no way to control noxious weeds on the Indian reservations at the present time or in the United States forest lands and national parks, and that the situation in those places could get out of hand very easily.

I commend the committee for bringing this bill to the House. It seems to be a good one. I hope my amendment will be adopted to make the act uniform for all people who are dispensing seeds. [Applause.]

In this connection I want to present a letter from the Department of Agriculture of my State and certain of the resolutions that I have referred to, as follows:

STATE OF CALIFORNIA,
DEPARTMENT OF AGRICULTURE,
Sacramento, May 19, 1939.

HON. CARL HINSHAW,
Congressional Representative,
Eleventh California District,
House Office Building, Washington, D. C.

DEAR CONGRESSMAN HINSHAW: I know you are fully aware of the significance of sound weed control as an aid to agriculture. Last year, for the first time, the Western States got together for the purpose of discussing and correlating their weed-control problems. At that conference a number of resolutions were adopted, copies of which I am enclosing. The subject matter of these resolutions was significant in the discussions, and it was intended that these resolutions be forwarded to you for your consideration in connection with any legislation which might come before the Congress pertaining to weed control, seed inspection, and basic research work in the weed-control field. In the case of the latter there have been requests for a correlation of fundamental fact finding and research in weed-control practices within the United States Department of Agriculture for a good many years. We recall that the Western Plant Quarantine Board on a number of occasions brought this matter to the attention of the Federal agencies which were engaged in the different phases of weed-control investigation, but which were not then thoroughly correlating them with other Federal patronage. There has been a beginning toward this correlation, but much more is necessary.

We are hopeful that you will recognize that real progress is being made in weed suppression generally in the West, and that any assistance which can be given by the Congress in supporting this work will be helpful.

The second of the western weed-control conferences will be held in California within a few weeks, and I am sure that those in attendance will be interested in any comments that you may have relative to the present status of weed and seed legislation.

Very sincerely,

W. C. JACOBSEN,
Assistant to the Director.

Resolution No. 3

NOXIOUS WEEDS ON INDIAN LANDS

(Adopted at Western Weed Control Conference, Denver, Colo., June 17, 1938)

Whereas there are several Indian reservations in the territory served by the Western States Noxious Weed Committee; and

Whereas there is no way in which State laws seeking to eradicate and control noxious weeds through taxation can affect Indian land without an act of Congress; and

Whereas noxious-weed control must, of necessity, be applied to all lands within the weed-infested district uniformly: Therefore, be it

Resolved, That the noxious weed committee, in conference assembled, at Denver, Colo., June 16 and 17, 1938, recommend that eradication work be financed by the Federal Government on all Indian lands, the title to which rests in itself, to its proportionate share, either by the employment of C. C. C. labor or a direct contribution to the agencies directing the control activities in those districts in which the Indian land lies.

Resolution No. 4

FEDERAL RESERVES, NATIONAL FORESTS AND PARKS

(Adopted at Western Weed Control Conference, Denver, Colo., June 17, 1938)

Whereas there are vast areas of federally owned land in the territory represented by the Western Weed Control Conference; and

Whereas there is no way in which State laws seeking to eradicate and control noxious weeds through taxation can affect Federal reserves, national forests, national parks, or other Government-owned lands without an act of Congress; and

Whereas infestations of noxious weeds occur on said Federal lands and persist as a menace to surrounding lands; and

Whereas noxious-weed control must be applied to all lands within a weed-infested district uniformly: Therefore be it

Resolved, That the Western Weed Control Conference, in convention assembled, at Denver, Colo., June 16 and 17, 1938, recommend that eradication work be financed by the Federal Government on all Federal reserves, national forests, national parks and other Government-owned land, the title to which rests in itself, to its proportionate share, either by the employment of C. C. C. labor or a direct contribution to the agencies directing the control activities in those districts in which the Government-owned lands lie.

Mr. HOPE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this matter of farmer exemption was very thoroughly discussed in the committee. No part of this bill received more careful or thorough consideration than that question. The committee did not want to impose any hardship upon a farmer who might incidentally sell seed to his neighbor when the neighbor happened to live just across a State line. On the other hand, the committee felt that the bill would not be complete and effective unless there was some provision in it that would prevent commercial seed growers who might produce their own seed from selling seed in violation of the laws of the States in which the seeds were sold.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield.

Mr. HINSHAW. Does the gentleman believe it is any more difficult for a man to carry out the laws of the State in which the seed is sold, if it is another State than his own, than it would be to comply with the provisions of the act itself?

Mr. HOPE. In one case it might be easier, and in another case it might be more difficult.

Mr. HINSHAW. I mean particularly where he has to comply with the laws of perhaps three or four States. Under my amendment he has to comply only with the Federal statute.

Mr. HOPE. I do not believe the situation the gentleman mentions would arise. The man we want to protect under this amendment is the farmer who is simply selling seeds to his neighbor. There is no reason why he should keep records as provided in this bill. There is no reason why he should label his seeds as provided in this bill, because the neighbor who buys them is perfectly aware of the kind of crops his farmer neighbor is growing and is perfectly aware of whether or not that farm is infected with noxious weeds.

Consequently, there does not exist the necessity for protection that would exist where he is buying seeds from a dealer or from someone who is hundreds of miles away. Therefore, this amendment offered by the committee seemed to be a good compromise which would at the same time protect the farmer who is selling seeds and the farmer who is buying seeds, and that is what the committee wanted to do.

If you adopt the amendment offered by the gentleman from California you will be forcing Farmer A, who lives across the State line in Oklahoma and sells a load of seed wheat to his neighbor in Kansas, not only to label that seed and go to all that expense, but to keep records and make reports regularly and comply with all the other rules and regulations the Department enforcing this law may require. There is no necessity for that. Under the committee amendment, the farmer who is making the selling of seed a business will have to comply with the laws of the States in which he is selling seeds, and that, it seems to me, offers ample protection to the farmer who is buying seeds.

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. HOPE. I yield to the gentleman from Nebraska.

Mr. COFFEE of Nebraska. Does the gentleman feel that the adoption of this amendment as offered by the gentleman from California would jeopardize the passage of the bill, in view of the discussion we had in our committee?

Mr. HOPE. I believe it would. As I said in the beginning, the committee discussed this matter at great length and the provisions which have been agreed upon represent a compromise among the members of the committee, among whom there were very divergent views. I believe it is the best possible compromise and solution of the matter. I feel it will not in any way weaken the law. I think it will protect the farmer who buys seeds and at the same time will protect the farmer who happens to be selling seeds incidentally on his own place from the annoyance, trouble, and the expense to which he would have to go if he had to comply literally and strictly with the law.

Mr. Chairman, I hope, the amendment will not be adopted. [Applause.]

[Here the gavel fell.]

Mr. H. CARL ANDERSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I will take only a minute instead of the 5 minutes. As one of the few dirt farmers in this House, I believe it would be ridiculous to put on the necks of thousands of farmers in this Nation the chance of having clamped onto them a \$2,000 penalty just because they made a mistake, perhaps, in dealing with their cousins or fathers or brothers across State lines in a small sale of seed, not knowing that they were violating thereby a Federal statute.

I hope this amendment will be defeated. I think we have gone far enough in hamstringing the farmers of the Nation today. I did not object to the amendment offered by the gentleman from Nebraska [Mr. COFFEE]. I feel it was fair.

Mr. HINSHAW. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. No; I will not yield.

I repeat, I did not object to that particular amendment. As a farmer, I am willing to go halfway; but here in this bill, if you take this exemption for the farmers out of the bill, you are simply voting to put each and every farmer living along a State line in the United States of America under the cloud of perhaps having to pay a \$2,000 fine, when very darn few of them could even raise \$500—and just because of a Federal statute they knew nothing about.

Mr. HOPE. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. In just a minute.

At the same time I wonder why a penalty of \$2,000 should be assessed under this bill when in the bill we considered for 3 hours this afternoon in connection with cotton there is a penalty of only \$500. Should we be more lenient with the cotton speculators in the South than with the farmers of the United States of America? [Applause.]

Mr. COFFEE of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. H. CARL ANDERSEN. Certainly, I will yield.

Mr. COFFEE of Nebraska. The gentleman realizes that the penalty is not to exceed \$2,000.

Mr. H. CARL ANDERSEN. The \$2,000, however, is in the bill just the same as the \$200 a month the other day was in the Townsend bill.

Mr. HOPE. Mr. Chairman, will the gentleman yield further?

Mr. H. CARL ANDERSEN. Absolutely.

Mr. HOPE. Does not the gentleman feel that if we adopt the amendment offered by the gentleman from California [Mr. HINSHAW] it will do what a great many seed dealers want to do, and that is to prevent farmers from selling any seeds on the farms.

Mr. H. CARL ANDERSEN. It will do more than that, Mr. HOPE, it will defeat this bill, if this amendment prevails.

[Here the gavel fell.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from California [Mr. HINSHAW].

The amendment was rejected.

The CHAIRMAN. The Clerk will report the committee amendments.

The Clerk read as follows:

Committee amendments: On page 18, line 15, strike out "and live;" and in line 20, strike out "and live."

The committee amendment was agreed to.

The Clerk read as follows:

Page 20, line 25, strike out "cow peas" and insert "cowpeas."

The committee amendment was agreed to.

The Clerk read as follows:

Page 22, line 1, strike out "which shall not be" and insert "not."

The committee amendment was agreed to.

The Clerk read as follows:

Page 33, line 6, strike out "district court of the United States" and insert "circuit court of appeals."

The committee amendment was agreed to.

The Clerk read as follows:

Page 37, line 6, strike out "That in" and insert "In."

The committee amendment was agreed to.

The Clerk read as follows:

Page 39, line 3, strike out "and such other expenses", and in line 4, after the word "act", insert "and other necessary expenses."

The committee amendment was agreed to.

The Clerk read as follows:

Page 39, line 22, strike out the word "seed" and insert after the word "Importation", "of adulterated seeds."

The committee amendment was agreed to.

The Clerk read as follows:

Page 40, line 4, strike out the word "seed" and insert after the word "importation", "of adulterated seeds."

The committee amendment was agreed to.

Mr. COFFEE of Nebraska. Mr. Chairman, I ask unanimous consent to return to page 7, line 7, and vacate the proceedings by which a previous amendment that was offered was agreed to, and to offer one in lieu thereof.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. COFFEE of Nebraska. Mr. Chairman, I offer an amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. COFFEE of Nebraska: On page 7, line 7, after the word "regulations", strike out the words "of or generally in" and insert the word "of."

The amendment was agreed to.

Mr. COFFEE of Nebraska. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendations that the amendments be agreed to and that the bill, as amended, do pass.

The motion was agreed to.

Accordingly, the Committee rose and the Speaker having resumed the chair, Mr. LEAVY, Chairman of the Committee of the Whole House on the state of the Union, reported that that Committee, having had under consideration the bill (H. R. 5625) to regulate interstate and foreign commerce in seeds; to require labeling, and to prevent misrepresentation of seeds in interstate commerce; to require certain standards with respect to certain imported seeds; and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill, as amended, do pass.

Mr. COFFEE of Nebraska. Mr. Speaker, I move the previous question on the bill and amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment? If not, the Chair will put them en gros. The question is on agreeing to the amendments.

The amendments were agreed to.

The bill as amended was ordered to be engrossed and read a third time, was read a third time, and passed, and a motion to reconsider laid on the table.

PACKERS AND STOCKYARDS ACT, 1921

Mr. DOXEY. Mr. Speaker, by direction of the Committee on Agriculture, I call up the bill H. R. 4998, to amend the Packers and Stockyards Act of 1921, and ask unanimous

consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Mississippi calls up the bill H. R. 4998, which the Clerk will report.

The Clerk read the bill as follows:

Be it enacted, etc., That subsections (a) and (b) of section 310 of the Packers and Stockyards Act, 1921, are hereby amended so as to read as follows:

"(a) May determine and prescribe what will be the just and reasonable rate or charge, or rates or charges, to be thereafter in such case observed as both the maximum and minimum to be charged, and what regulation or practice is or will be just, reasonable, and nondiscriminatory to be thereafter followed; and

"(b) May make an order that such owner or operator (1) shall cease and desist from such violation to the extent to which the Secretary finds that it does or will exist; (2) shall not thereafter publish, demand, or collect any rate or charge for the furnishing of stockyard services more or less than the rate or charge so prescribed; and (3) shall conform to and observe the regulation or practice so prescribed."

The SPEAKER. The gentleman from Mississippi asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider laid on the table.

Mr. DOXEY. Mr. Speaker, I ask unanimous consent to dispense with further proceedings under Calendar Wednesday.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL, 1940

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5610, making appropriations for the government of the District of Columbia and other activities, chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1940, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference with the Senate, and that the Speaker name the conferees on the part of the House.

The SPEAKER. The gentleman from Mississippi asks unanimous consent to take from the Speaker's table the bill H. R. 5610, the District of Columbia appropriation bill, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference? Is there objection?

There was no objection.

The Chair appointed the following conferees on the part of the House: Mr. COLLINS, Mr. CASEY of Massachusetts, Mr. MAHON, Mr. STEFAN, and Mr. CASE of South Dakota.

EXTENSION OF REMARKS

Mr. COLLINS. Mr. Speaker, I ask unanimous consent to extend my remarks upon one phase of the pending social-security bill and to insert in the RECORD a very comprehensive letter from an insurance man from my State.

The SPEAKER. Is there objection?

There was no objection.

Mr. HARE. Mr. Speaker, I ask unanimous consent to extend my remarks on the life, character, and public record of the late Representative Allard H. Gasque.

The SPEAKER. Is there objection?

There was no objection.

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein an editorial which recently appeared in the Boston Post.

The SPEAKER. Is there objection?

There was no objection.

Mr. COFFEE of Washington. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include a brief article by one of my constituents.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD at this

point and to include a brief amendment which I intend to offer to the social-security bill.

The SPEAKER. Is there objection?

There was no objection.

Mr. VOORHIS of California. Mr. Speaker, the House will have under consideration again tomorrow the Social Security Act and bill H. R. 6635, which makes amendments to that act.

I shall offer two amendments to that bill. The first of these will be offered in line 20 of page 2, after the word "assistance." At that point is found a provision regarding the method to be employed by State agencies in determining need. My amendment will add the following language:

And (the State agency shall) consider reasonable proof that the annual income of any such person (claiming old-age assistance) is less than \$360 as prima facie evidence of need.

The purpose of this amendment is obvious. It is to get away, to some degree at least, from the present system, in effect in every State so far as I know, whereby it is necessary for a person to practically prove himself a pauper in order to qualify for any assistance at all. Under this amendment, for example, a county could not require an aged person to sign away title to his little home in order to qualify for a few dollars a month assistance.

The second amendment which I shall offer will come on page 97, after line 5. This amendment will insert a new section—section 704—in the bill to read as follows:

Title X of the Social Security Act, as amended, is amended by inserting after the word "blind", wherever it occurs in such title, the following: "or persons physically disabled to such a degree as to be unable to engage in a gainful occupation."

The principle contained in this amendment is, I think, plain. Why should we provide social security for one type of disability only and not for others which, though perhaps less dramatic, may render an individual quite as helpless as though he were blind? This, however, is what we are doing now. My amendment seeks to correct that situation.

Mr. COOLEY. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD and to include therein certain letters and telegrams received by me and referred to in my remarks today.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOLMES. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the national old-age pension plan.

The SPEAKER. Is there objection?

There was no objection.

Mr. HINSHAW. Mr. Speaker, I ask unanimous consent to extend my remarks made in the House today and to include therein a letter from the Department of Agriculture of the State of California and sundry resolutions passed by the Western Wheat Control Conference at Denver, Colo.

The SPEAKER. Is there objection?

There was no objection.

LEAVE TO ADDRESS THE HOUSE

Mr. ALEXANDER. Mr. Speaker, under special order I was granted permission to address the House for 30 minutes today. Because of the lateness of the hour I ask unanimous consent that that permission be transferred to Monday, June 12, after the conclusion of the legislative business and the special orders heretofore made.

The SPEAKER. Is there objection?

There was no objection.

Mr. ANDERSON of Missouri. Mr. Speaker, after conclusion of the legislative business and any special orders heretofore made, I ask unanimous consent to address the House on Monday next for 15 minutes.

The SPEAKER. Is there objection?

There was no objection.

EXTENSION OF REMARKS

Mr. MAGNUSON. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and include therein a news-

paper interview with Gordon Selfridge at London, in which he makes comparison of British taxation with American taxation.

The SPEAKER. Is there objection?
There was no objection.

Mrs. NORTON. Mr. Speaker, I ask unanimous consent to extend my own remarks and include an article in today's Daily News by Raymond Clapper.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

Mr. PACE. Mr. Speaker, I ask unanimous consent to extend the remarks I made today on the bill H. R. 57.

The SPEAKER. Without objection, it is so ordered.
There was no objection.

The SPEAKER. Under special order of the House heretofore made, the gentleman from New York [Mr. KEOGH] is recognized for 30 minutes.

HOME OWNERS' LOAN CORPORATION

Mr. KEOGH. Mr. Speaker and Members of the House, I have today introduced a resolution for the creation of a select committee. Section 2 of that resolution provides as follows:

SEC. 2. It shall be the duty of the committee to make a thorough study and investigation of the Home Owners' Loan Corporation (hereinafter called the Corporation) with particular reference to (a) the status of all bonds and mortgages, real estate, and other securities, or property owned or held by or for the Corporation; (b) the existence of sources for the disposition, by sale or otherwise, of said bonds and mortgages, real estate, and other securities, or property owned or held by or for the Corporation; (c) the methods and procedure most advisable, practical, and feasible to effect a liquidation and disposition of the bonds and mortgages, real estate, and other securities or property owned or held by or for the Corporation; and (d) to make recommendations to the House of Representatives with respect to legislation upon the foregoing subjects and for the carrying out of the findings and conclusions of the committee hereby created.

The committee shall report to the House of Representatives, on or before February 1, 1940, the results of its study and investigation, together with such recommendations as it deems advisable.

I have asked for this opportunity to discuss my views with reference to the subject matter of this resolution and I appreciate being granted the privilege of addressing the House.

I trust that I need not dwell too long upon the fact that by the introduction of this resolution it was not, and is not now, my intention to attempt to discredit the H. O. L. C., its officers, or employees, nor to belittle the beneficial accomplishments of the vast program of that instrumentality of the Congress. The written record of those accomplishments would be the most effective answer to any such attempt. The strengthening of the morale of the people whose homes were thus saved cannot be measured and the benefits that flowed therefrom cannot be overstated. For anyone to attempt to criticize that act or its general administration would indeed be inappropriate, and I have no such idea.

I am motivated in submitting this proposal to the House at this time by a keen desire to bring before the House what appear to me to be facts warranting present action.

The refinancing operations of the H. O. L. C. ceased on June 12, 1936. The present principal operations of the Corporation are the collection and servicing of its outstanding loans and the management and sale of its acquired properties. In the Sixth Annual Report of the Federal Home Loan Bank Board, for the year ending June 30, 1938, the Corporation stated:

Its objective is to conclude its operations, if possible, without loss to the Federal Government and the taxpayer, and to assist as many borrowers as possible to preserve and ultimately own their homes free and clear of debt.

With that objective, I am in accord and were I to state the objectives of my proposal, I might very well adopt the foregoing, in the same words.

The ultimate responsibility for the termination of any instrumentality of Government rests with the legislative branch and, with respect to this particular instrumentality, I submit that we should now begin an inquiry into the ways and means by which that may best be accomplished. It is conceded, I think, that we shall have to do it sometime.

Appreciating the vastness of the problem, I believe such an inquiry is desirable if we are intelligently, rationally, and unemotionally to deal with this subject. Not with fanfare or ulterior or political motives but in a methodical and constructive manner should the problem be met.

It must be acknowledged that the administration of the Home Owners' Loan Corporation Act has resulted in many improvements in the methods of home financing. The Corporation's use of the "direct reduction" type of mortgage has generally resulted in wider use of these long-term amortization mortgages. This form of mortgage, obviously, saves the home owner the expense of refinancing after a short term or of paying fees or premiums for extension of the principal secured by the mortgage. The application of the appraisal practices of the Corporation has had beneficial effects on the real-estate market throughout the country. The Corporation has undoubtedly focused attention upon the primary importance of the appraisal in the field of home ownership financing.

Its Federal home-building-service plan, placed in operation by the Federal Home Loan Bank Board, has rendered fine service in coordinating the activities of home-financing agencies, architects, materials dealers, manufacturers, and building-trades contractors.

The greatest source of criticism that may properly be leveled at the Corporation has been the suffering of tax arrears. The Corporation stated in its sixth annual report, 1938, that 40 percent of the borrowers were delinquent in taxes for one or more of the years 1933 to 1937. One of the principal criticisms against the old mortgage companies was the crediting of payments to interest, that is, "income a/c," out of which salaries, and so forth, were paid, rather than first discharging the prior liens of unpaid taxes. I am informed, however, that the Corporation has definitely and successfully turned to the solution of the tax problem.

The securities of the Corporation may be classified into, first, the mortgage loans outstanding, and, second, the property owned or in process of ownership. According to the Corporation's statement of June 30, 1938, the mortgage loans, advances, and sales instruments had a face value of \$2,265,000,000. Its property was worth approximately \$500,000,000. In addition to these assets, the Corporation owns the entire capital of the Federal Savings & Loan Insurance Corporation of \$100,000,000 and has over \$200,000,000 invested in savings and loans associations, both State and Federal.

The Corporation reports that there have been demands for far-reaching changes in its loan terms, most of which demands have led to the introduction of various resolutions and legislative proposals now pending before the House. The principal demands are: First, to lower the interest rate; second, to extend the amortization period; and, third, to introduce a moratorium on principal payments. The Corporation maintains that its terms are more liberal than generally ever before available, and, further, that it was not the intention to grant to the Corporation's borrowers outright Government subsidies. It was planned that the Corporation should be self-liquidating and that the loans were to be repaid with interest sufficient to cover the rate paid by the Corporation on its bonds. The present rate of interest on the Corporation's mortgages is 5 percent. A recent refinancing operation by the Corporation reduced the interest rate on its outstanding bonds to approximately 1½ percent.

Each year from the beginning of its operations the Corporation has shown a deficit, which reached approximately \$40,000,000 at the end of the fiscal year 1938. It is indisputable that a reduction of the rate of interest would necessarily increase the deficit unless the other income of the Corporation were greatly increased. The accruing deficits are further contributions by the Government to the program of the saving of the homes refinanced.

Much has and will be said on both sides with respect to the legislation pending before the Congress for liberalization of terms and policies of the Corporation. It is not to be denied that the mortgagors and, particularly, the delinquent mortgagors of the Corporation have been the sub-

jects of strenuous organizing efforts on the part of certain groups. The motives of those groups are not here questioned. It is quite apparent that such mortgagors will readily and more easily be influenced by the hopes and aims of those groups. One such group, I am informed, abandoned its activities after investigation by the postal authorities. The head of another group was one of the leading figures in an attempted taxpayers' strike in New York, a few years ago. I, with a number of my colleagues, have sincerely sought a solution of the problem, have sought to procure fair and adequate relief for the mortgagors who have not necessarily suffered a permanent reduction in income or a permanent change in status. We, as the mortgagors, I am sure, have been ever mindful of the fact that a modification of the existing contracts would result in an enormous expense and a considerable amount of work and there might be some question as to an invasion of the equity due to those who have been fortunate enough to maintain their loans on a current basis. If, however, there are presently in existence, methods or means by which these ends may be accomplished, without further expense to the taxpayers of the country, as such, the mortgagors or the Corporation, the time to begin to do that is now. I am fully conscious of, and appreciate the manifold complexities of this problem and my appreciation and consciousness have led me to the course which I am suggesting we take. If the Corporation can, without greater loss or operating deficits, be liquidated, that should be done.

In my discussion of this matter or in any suggestions that I might make, I do not intend to circumvent the prerogatives of the House nor to limit the scope of the inquiry, should it be authorized. I mean merely to state briefly some of the methods which I think might be studied in an effort to obtain our objectives.

In June 1938 the number of accounts in arrears 3 months or over amounted only to less than 10 percent of the total maturities and those 1 to 3 months less than 1 percent of the total maturities. It is stated by the Corporation, however, that nearly 50 percent of all borrowers in default are liquidating their arrearages by systematic payments, which means they are making regular payments for the liquidation of their arrearages in addition to their current monthly remittances. The chairman of the board has stated that, as of December 31, 1938 (Appendix of the RECORD, 76th Cong., p. 2398), about 90 cents of every dollar due has been paid to date. He has been credited with saying some time ago that in about 42 States the Corporation had eliminated all the willful delinquents and those whose status had suffered permanent change. Further, he said—supra:

Only a minority of foreclosed H. O. L. C. borrowers lost out through a sheer inability to pay.

Under the provisions of the act of 1933 the Secretary of the Treasury was authorized, within certain limits, to make investments in Federal and State chartered savings and loan associations which are members of the Federal home-loan bank system. The total of those investments, at the end of the fiscal year 1938, was almost \$212,000,000.

I have always been of the opinion that the provisions for the revitalizing of these savings and loans associations were intended to provide an outlet for the liquidation of the bonds and mortgages of the Corporation. The results, however, have been that those savings and loans associations are for the most part soliciting the bonds secured by mortgages upon newly constructed dwellings, which mortgages are in turn insured by the Federal Housing Administration.

I am further informed that as a result of competition among lending institutions seeking approved Federal Housing Administration mortgage investments, that interest rates on those mortgages have been reduced in many cases to 4½ percent and in some instances 4 percent.

We have heard much of late with reference to idle capital and its inability to find profitable forms of investment. I am informed that a Newark, N. J., bank announced that it will no longer pay any interest on savings deposits. We who are

imbued with an abiding faith in the future of our country know that there has been, and is now, no form of security more attractive than first mortgages on homes in America. That that is so is high tribute to the spirit and industry of the American home owner. We might well query the possibility and advisability of extending to the present mortgage loans held by the Corporation the insurance features of the Federal Housing Administration and inquire into the availability of sufficient funds among savings banks, insurance companies, and individuals to purchase those securities from the Corporation. Adequate safeguards might well be placed upon the terms of such sale, safeguards founded upon the experience of the Corporation and which would protect the borrowers as far as possible.

The constructive legislation enacted by the Congress during the past few years, including the Federal Housing Administration, the Federal Deposit Insurance Corporation, and the Federal Savings and Loan Insurance Corporation, will most certainly prevent a recurrence of the break-down of private home-financing institutions and to any former abuses in such field.

The effects of such procedure will be (1) a reduction of the present interest rate to that of the Federal Housing Administration insured mortgages, namely, 4 to 4½ percent; (2) a more personalized servicing of these mortgages by local institutions; (3) the further modification of the mortgages by way of extension of the amortization period; (4) the elimination of the conflicts between the amortization periods of the present mortgages of the Corporation and those now being insured by the Federal Housing Administration.

These are the aims of the pending resolutions and legislation now before the House that will be of benefit to the home owners. The transferring of these securities would relieve the Government of suffering further loss as a result of the foregoing modifications and would result in a steadying of the real-estate market and a considerable decrease in the number of foreclosures with which we are now faced.

In a like manner, we owe it to ourselves to know or begin to know how and in what manner the real estate and other properties acquired by the Corporation may most quickly and profitably be disposed of. At the rate of deficit for 1938, it would not take but 10 years that the accumulated deficit of the Corporation would exceed the present value of the properties acquired. Appreciating that it is not the policy of the Corporation to dump on the market at sacrifice prices the acquired properties, it would seem to be questionable business practice to hold those properties if they might otherwise be disposed of and any necessary loss taken now.

Of the available income-producing properties owned by the Corporation, it was reported in a national statement issued by the Corporation on December 31, 1938, that 88 percent were rented and that 98.8 percent of the tenants were either current or less than 1 month in arrears in rent.

I submit that a proper, intelligent, and efficient inquiry along the lines I have suggested will undoubtedly lead to legislation designed to accomplish the following:

First. The immediate freeing of upwards of \$2,000,000,000 of private capital now lying idle in banks, insurance companies, and so forth.

Second. The return of home financing to its appropriate field, to wit, private and local institutions.

Third. The termination of a purely emergency instrumentality of Government and the withdrawal of the Government from the fields of mortgage servicing and "landlord," the latter with all its unpopular connotations.

Fourth. The accruing benefits flowing to home owners and borrowers in lowered interest rates resulting from the transfer of their mortgages in a favorable "sellers" market.

Fifth. The rendering possible of more "personalized" servicing of the mortgages through local institutions which would have a more friendly attitude, with the retention of adequate safeguards for the protection of the borrowers.

Sixth. Increasing activity in the local real-estate markets resulting from the revaluation of the properties of the Corporation.

We can and should make this inquiry in order that this emergency instrumentality of the Government, having accomplished its purpose, will be terminated with the heartfelt appreciation of this body and those whose homes were saved through it. [Applause.]

Mr. MARTIN J. KENNEDY. Mr. Speaker, will the gentleman yield?

Mr. KEOGH. I yield.

Mr. MARTIN J. KENNEDY. I want to congratulate my colleague for the very clear manner in which he has presented this very involved subject. I wonder if I might make this suggestion to the gentleman: After many years in the real-estate business, I have some knowledge of those problems. I think if the gentleman would invite the real-estate boards of the country and the various presidents of savings banks to sit around the table, he would be doing a great deal toward solving this problem. I think there is a great deal of merit in the gentleman's proposal. I want to say now that I will be delighted to cooperate with the gentleman in this plan.

Mr. KEOGH. I appreciate the gentleman's very kind offer of cooperation and I trust I may have the same degree of it from all Members of the House on both sides.

Mr. MARTIN J. KENNEDY. I am sure you will.

The SPEAKER pro tempore (Mr. GAVAGAN). The time of the gentleman from New York [Mr. KEOGH] has expired.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. BOYKIN, indefinitely, on account of death of his mother.

BILL PRESENTED TO THE PRESIDENT

Mr. PARSONS, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 5765. An act to authorize commissioning aviation cadets in the Naval and Marine Corps Reserves upon completion of training, and for other purposes.

ADJOURNMENT

Mr. DOXEY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 14 minutes p. m.) the House adjourned until tomorrow, Thursday, June 8, 1939, at 12 o'clock noon.

COMMITTEE HEARINGS

COMMITTEE ON IMMIGRATION AND NATURALIZATION

There will be a meeting of the Committee on Immigration and Naturalization at 10:30 a. m. Thursday, June 8, on H. R. 3029 (STARNES of Alabama).

COMMITTEE ON FOREIGN AFFAIRS

There will be a meeting of the Committee on Foreign Affairs (executive session) in the committee rooms, Capitol, at 10 a. m. Monday, June 12, 1939, for the consideration of House Joint Resolution 306, Neutrality Act of 1939.

COMMITTEE ON THE JUDICIARY

On Monday, June 12, 1939, beginning at 10 a. m., there will be continued a public hearing before the Committee on the Judiciary on the bill (H. R. 6369) to amend the act entitled "An act to establish a uniform system of bankruptcy throughout the United States," approved July 1, 1898, and acts amendatory thereof and supplemental thereto; to create a Railroad Reorganization Court; and for other purposes.

COMMITTEE ON MERCHANT MARINE AND FISHERIES

The Committee on Merchant Marine and Fisheries will hold public hearings in room 219, House Office Building, at 10 a. m., on the bills and dates listed below:

On Tuesday, June 13, 1939, on H. R. 1011, drydock facilities for San Francisco (WELCH); H. R. 2870, drydock facilities for Los Angeles (THOMAS F. FORD); H. R. 3040, drydock facilities for Los Angeles (GEYER of California); and H. R. 5787, drydock facilities for Seattle, Wash. (MAGNUSON).

The hearing originally scheduled by the Committee on Merchant Marine and Fisheries for Thursday, June 8, 1939,

on H. R. 6042, requiring numbers on undocumented vessels (KRAMER), and H. R. 5837, alien owners and officers of vessels (KRAMER), has been postponed until Tuesday, June 13, and will come up on the same list as those bills named directly above.

On Thursday, June 15, 1939, on House Joint Resolution 194, investigate conditions pertaining to lascar seamen (SIROVICH).

On Friday, June 16, 1939, on H. R. 5611, district commanders' bill (U. S. Coast Guard).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

826. A communication from the President of the United States, transmitting an estimate of appropriation of the General Anthony Wayne Memorial Commission amounting to \$2,500, fiscal year 1938, to remain available until June 30, 1940 (H. Doc. No. 311); to the Committee on Appropriations and ordered to be printed.

827. A communication from the President of the United States, transmitting supplemental estimates of appropriations required by the agencies concerned to carry into effect the provisions of Executive Order No. 7916, for the fiscal year 1940, amounting to \$657,366 (H. Doc. No. 310); to the Committee on Appropriations and ordered to be printed.

828. A letter from the Acting Chairman, Federal Communications Commission, transmitting the draft of a proposed bill to authorize the purchase of land, buildings, antenna systems, and appurtenances for use as a radio monitoring station; to the Committee on Interstate and Foreign Commerce.

829. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of lower Colorado River, Tex., authorized by the Flood Control Act, approved June 22, 1936, and the River and Harbor Act, approved August 26, 1937 (H. Doc. No. 312); to the Committee on Flood Control, and ordered to be printed, with three illustrations.

830. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of channel from Manteo via Broad Creek to Oregon Inlet, N. C., authorized by the River and Harbor Act approved June 20, 1938 (H. Doc. No. 313); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

831. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and illustrations, on reexamination of Lavaca and Navidad Rivers, Tex., requested by resolution of the Committee on Rivers and Harbors, House of Representatives, adopted October 27, 1938 (H. Doc. No. 314); to the Committee on Rivers and Harbors and ordered to be printed, with two illustrations.

832. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and illustrations, on a preliminary examination and survey of Concho River, Tex., authorized by the River and Harbor Act approved August 26, 1937 (H. Doc. No. 315); to the Committee on Flood Control and ordered to be printed, with two illustrations.

833. A letter from the Secretary of War, transmitting a letter from the Chief of Engineers, United States Army, dated May 25, 1939, submitting a report, together with accompanying papers and an illustration, on a preliminary examination and survey of channel from Pamlico Sound to Avon, N. C., authorized by the River and Harbor Act approved June 20, 1938 (H. Doc. No. 316); to the Committee on Rivers and Harbors and ordered to be printed, with an illustration.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. LEWIS of Colorado: Committee on Rules. House Resolution 217. Resolution providing for the consideration of H. R. 960, a bill extending the classified executive civil service of the United States; without amendment (Rept. No. 783). Referred to the House Calendar.

Mr. BOYKIN: Committee on Merchant Marine and Fisheries. H. R. 6273. A bill to amend certain sections of the Motor Boat Act of June 9, 1910, the act of Congress approved June 7, 1897, the act of Congress approved February 8, 1895, and section 4412 of the Revised Statutes, with respect to boats equipped with detachable motors and other motorboats; with amendment (Rept. No. 784). Referred to the House Calendar.

Mr. BLAND: Committee on Merchant Marine and Fisheries. H. R. 6442. A bill to amend an act entitled "An act to authorize the establishment of a permanent instruction staff at the United States Coast Guard Academy," approved April 16, 1937; without amendment (Rept. No. 785). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 3950. A bill to amend paragraphs (b), (c), and (d) of section 6 of the District of Columbia Traffic Act, 1925, as amended by the acts of July 3, 1926, and February 27, 1921, and for other purposes; without amendment (Rept. No. 794). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 5660. A bill to include Lafayette Park within the provisions of the act entitled "An act to regulate the height, exterior design, and construction of private and semipublic buildings in certain areas of the National Capital," approved May 16, 1930; without amendment (Rept. No. 795). Referred to the Committee of the Whole House on the state of the Union.

Mr. RANDOLPH: Committee on the District of Columbia. H. R. 6509. A bill to provide for insanity proceedings in the District of Columbia; without amendment (Rept. No. 796). Referred to the Committee of the Whole House on the state of the Union.

Mr. THOMASON: Committee on Military Affairs. S. 504. An act to provide a right-of-way; with amendment (Rept. No. 797). Referred to the Committee of the Whole House on the state of the Union.

Mr. MAY: Committee on Military Affairs. S. 2096. An act to amend section 4a of the act entitled "An act for making further and more effectual provision for the national defense, and for other purposes," approved June 3, 1916, as amended; with amendment (Rept. No. 798). Referred to the Committee of the Whole House on the state of the Union.

Mr. WHITTINGTON: Committee on Flood Control. H. R. 6634. A bill amending previous flood-control acts, and authorizing certain preliminary examinations and surveys for flood control, and for other purposes; with amendment (Rept. No. 799). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLER: Committee on the Library. H. R. 6528. A bill to provide for the creation of the George Rogers Clark National Memorial, in the State of Indiana, and for other purposes; without amendment (Rept. No. 800). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII,

Mr. KRAMER: Committee on Immigration and Naturalization. H. R. 3094. A bill for the relief of Luise Ehrenfeld; with amendment (Rept. No. 786). Referred to the Committee of the Whole House.

Mr. MASON: Committee on Immigration and Naturalization. H. R. 3277. A bill for the relief of Egon Karl Freiherr von Mauchenheim and Margarete von Mauchenheim; with

amendment (Rept. No. 787). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 3732. A bill for the relief of Rosalia Cataudella Di Rosa and son, Georgio Di Rosa; with amendment (Rept. No. 788). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 5156. A bill for the relief of Adolph Ernest Helms; with amendment (Rept. No. 789). Referred to the Committee of the Whole House.

Mr. MASON: Committee on Immigration and Naturalization. H. R. 5827. A bill to authorize the cancellation of deportation proceedings in the case of John L. Harder and children, Paul William Harder, Irvin W. Harder, Edna Justina Harder, Elsie Anna Harder, and Elizabeth Harder; without amendment (Rept. No. 790). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 6034. A bill for the relief of Mira Friedberg (Mira Dworecka); without amendment (Rept. No. 791). Referred to the Committee of the Whole House.

Mr. KRAMER: Committee on Immigration and Naturalization. H. R. 6435. A bill to authorize cancellation of deportation in the case of Louise Wohl; without amendment (Rept. No. 792). Referred to the Committee of the Whole House.

Mrs. O'DAY: Committee on Immigration and Naturalization. H. R. 5925. A bill for the relief of Spiridon or Spiros Noutsopoulos; with amendment (Rept. No. 793). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of rule XXII, the Committee on Claims was discharged from the consideration of the bill (H. R. 6647) for the relief of Earl A. Ross, Frank P. Ross, and Lemuel T. Root, Jr., and the same was referred to the Committee on the Public Lands.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. HARNESS:

H. R. 6713. A bill to authorize a preliminary examination and survey of the Mississinewa River and its tributaries in the State of Indiana, from Matters Park to Conners Mill, in Grant County, for flood control, for run-off and water-flow retardation, and for soil-erosion prevention; to the Committee on Flood Control.

By Mr. BURDICK:

H. R. 6714. A bill providing for the final discharge of Federal supervision over certain individual Indians, providing for final settlement of Indian claims, determination of heirs, and for other purposes; to the Committee on Indian Affairs.

H. R. 6715. A bill to subject Indians of the State of North Dakota to the laws of such State; to the Committee on Indian Affairs.

By Mr. CORBETT:

H. R. 6716. A bill to recognize for the purpose of the pension laws the service in the Civil War of certain members of the Fifty-sixth Regiment Illinois Mechanic Fusileers; to the Committee on Invalid Pensions.

By Mr. MAAS:

H. R. 6717. A bill relative to the retirement of certain naval and marine aviators; to the Committee on Naval Affairs.

By Mr. SMITH of Washington:

H. R. 6718. A bill to prohibit the use of funds expended, granted, or loaned by the United States, for the purchase of materials which are not of domestic origin, and for other purposes; to the Committee on Ways and Means.

By Mr. CANNON of Florida:

H. R. 6719. A bill to authorize a preliminary examination and survey of the Kissimmee River, Fla., with view to establishment and regulation of water levels for flood control, run-off and water-flow retardation, and soil-erosion prevention; to the Committee on Flood Control.

By Mr. JEFFRIES:

H. R. 6720. A bill to amend section 13 of the Fair Labor Standards Act of 1938 so as to exempt employees of coopera-

tive egg auction, produce auction, and poultry associations from the provisions of sections 6 and 7; to the Committee on Labor.

By Mr. COFFEE of Washington:

H. R. 6721. A bill to provide a permanent force to classify patents in the Patent Office, and for other purposes; to the Committee on Patents.

By Mr. MOTT:

H. R. 6722. A bill to provide for the examination and survey of the channel at Charleston, South Slough, Oreg.; to the Committee on Rivers and Harbors.

By Mr. MUNDT:

H. R. 6723. A bill to prevent the pollution of the navigable waters of the United States, and for other purposes; to the Committee on Rivers and Harbors.

By Mr. STARNES of Alabama:

H. R. 6724. A bill to provide for the prompt deportation of aliens engaging in espionage or sabotage, alien criminals, and other undesirable aliens; to the Committee on Immigration and Naturalization.

By Mr. FISH:

H. R. 6725. A bill to regulate the formation and activities of private military forces in the United States, and for other purposes; to the Committee on Military Affairs.

By Mr. BLAND:

H. R. 6726. A bill to amend the Merchant Marine Act, 1936, as amended, to provide compensation for disability or death resulting from injury to officers and members of the crew of vessels under the jurisdiction of the United States, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. COOLEY:

H. R. 6727. A bill relating to the reconcentration of cotton owned or held as security by the Commodity Credit Corporation or any other Government agency; to the Committee on Agriculture.

By Mr. ANGELL:

H. J. Res. 317. Joint resolution proposing an amendment to the Constitution of the United States, relating to old-age assistance; to the Committee on the Judiciary.

By Mr. WALLGREN:

H. J. Res. 318. Joint resolution to provide for retaining in the United States, and denying export therefrom, articles or materials to be used in violation of the sovereignty, independence, or territorial or administrative integrity of a nation, contrary to the treaty engagements of the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. TABER:

H. J. Res. 319. Joint resolution making appropriations for the relief of unemployment work relief and for direct relief, and authorizing grants to States for such purpose, and for other purposes; to the Committee on Appropriations.

By Mr. KEOGH:

H. Res. 218. Resolution to create a select committee to investigate the advisability, practicability, and feasibility of terminating the activities of the Home Owners' Loan Corporation; to the Committee on Rules.

MEMORIALS

Under clause 3 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the Territory of Hawaii, memorializing the President and the Congress of the United States to consider their Joint Resolution 7, with reference to the Hawaiian Home Commission Act of 1920; to the Committee on the Territories.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CHURCH:

H. R. 6728. A bill for the relief of Stacy C. Mosser, receiver for the Great Northern Majestic Building Corporation; to the Committee on Claims.

By Mr. D'ALESSANDRO:

H. R. 6729. A bill granting a pension to Emma Wagner; to the Committee on Invalid Pensions.

By Mr. EBERHARTER:

H. R. 6730. A bill for the relief of Edward P. Glenn, Jr.; to the Committee on Claims.

By Mr. GARTNER:

H. R. 6731. A bill for the relief of Bradford Bryant Blanchard; to the Committee on Naval Affairs.

By Mr. IZAC:

H. R. 6732. A bill for the relief of the Equitable Insurance Alliance, the Fidelity & Guaranty Fire Corporation, and the Hartford Fire Insurance Co.; to the Committee on Claims.

By Mr. LeCOMPTE:

H. R. 6733. A bill granting a pension to Elizabeth Stiles; to the Committee on Invalid Pensions.

By Mr. MYERS:

H. R. 6734. A bill granting an increase of pension to Joseph Brown; to the Committee on Invalid Pensions.

By Mr. SECCOMBE:

H. R. 6735. A bill granting a pension to Clara Apgar; to the Committee on Pensions.

By Mr. SCHWERT:

H. R. 6736. A bill to correct the naval record of Herbert William Herring; to the Committee on Naval Affairs.

By Miss SUMNER of Illinois:

H. R. 6737. A bill for the relief of Clarence D. Green; to the Committee on Claims.

By Mr. VINCENT of Kentucky:

H. R. 6738. A bill for the relief of Gertrude Hancock, administratrix of the estate of Arch F. Hancock; to the Committee on Claims.

By Mr. WHELCHER:

H. R. 6739. A bill conferring jurisdiction upon the United States District Court for the Northern District of Georgia to hear, determine, and render judgment upon the claim of the estate of J. L. Fretwell against the United States; to the Committee on Claims.

H. R. 6740. A bill for the relief of the estate of J. L. Fretwell; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

3552. By Mr. ANDREWS: Resolution adopted by the New York State Legislature, urging enactment of legislation authorizing deportation of certain aliens; to the Committee on Immigration and Naturalization.

3553. Also, petition signed by 60 residents of Buffalo, N. Y., favoring enactment of House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3554. By Mr. ASHBROOK: Petition of Julia Henthorne, of Newark, Ohio, and 30 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3555. Also, petition of William Hubschmidt, of Newark, Ohio, and 30 others, endorsing House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3556. By Mr. CARTER: Senate Joint Resolution No. 9, passed by the Legislature of the State of California, relating to the baneful effects of a reciprocal-trade agreement between the United States of America and Venezuela and urging legislation increasing tariff or excise tax on the importation of foreign oil and derivatives manufactured therefrom and imported into this country; to the Committee on Ways and Means.

3557. By Mr. CURLEY: Statement of the Citizens Civic Legion of New York City, supporting House bill 5147, for the extension of preferences in the civil service to veterans; to the Committee on the Civil Service.

3558. By Mr. GROSS: Resolution of York County Boroughs Association, opposing taxation on municipal indebtedness; to the Committee on Ways and Means.

3559. By Mr. HARTER of New York: Petition of a group of citizens of the Forty-first Congressional District of New York,

favoring the General Welfare Act (H. R. 5620), the petitions being signed by the following: Mrs. George Schmitz, Herman Peters, Pauline Kohling, Bertha Fink, Mrs. William L. Heller, Elizabeth C. Hetzel, Ernie Hector, Carrie Gross, Jules Garbo, Joseph Garbo, Charles Anderson, Michael Blimm, Lena Bowes, Mrs. Danz, Martin F. Wheadrick, Sadie Van Horne, Herman Koehn, William F. Kirsch, Frank N. Prentice, A. J. Bletzer, Mary Bletzer, Mrs. S. Scoller, Mrs. E. Smith, Mrs. J. A. Schwartz, Marhisa H. Schwartz, Thomas Mitchell, Frances Lundergan, Hans W. Fincke, Eva Willman, and 985 other citizens; to the Committee on Ways and Means.

3560. By Mr. HINSHAW: Petition of Nona Tubbs and 270 other residents of Pasadena, Calif., urging the Seventy-sixth Congress to enact House bill 5620, the General Welfare Act; to the Committee on Ways and Means.

3561. By Mr. JARMAN: Resolution of the court of county commissioners of Greene County, Ala., relating to further improvements of navigation on Warrior River in Alabama between Demopolis and Tuscaloosa, Ala.; to the Committee on Rivers and Harbors.

3562. By Mr. KRAMER: Resolution of the Senate of the State of California, relating to the construction and maintenance of a veterans' general facility and hospital in Humboldt County; to the Committee on World War Veterans' Legislation.

3563. Also, resolution of the Brotherhood of Railroad Trainmen, relating to the appropriation of an additional \$100,000 for the La Follette committee so that it may complete its investigation in California, Oregon, and Washington; to the Committee on Appropriations.

3564. Also, resolution of the Assembly and the Senate of the State of California, relating to the civil liberties investigation; to the Committee on Appropriations.

3565. By Mr. KEOGH: Petition of the American Manufacturing Co., Brooklyn, N. Y., opposing the Fulmer bill (H. R. 57); to the Committee on Agriculture.

3566. Also, petition of the American Photo Engravers Association, New York City, concerning the Social Security Act (H. R. 6497); to the Committee on Ways and Means.

3567. Also, petition of the Emergency Conservation Committee, New York City, concerning the Gearhart bill (H. R. 3794); to the Committee on the Public Lands.

3568. Also, petition of the Transport Workers Union of Greater New York, Local 100, favoring the Casey bill (H. R. 6470); to the Committee on Appropriations.

3569. Also, petition of Daniel H. Barber, White Plains, N. Y., concerning Senate bill 2009; to the Committee on Interstate and Foreign Commerce.

3570. Also, petition of the Department of Agriculture, State of Texas, opposing the proposal to subsidize cotton exports; to the Committee on Ways and Means.

3571. Also, petition of Past Exalted Rulers Council, No. 7, Eastern District of Pennsylvania, I. B. P. O. E. of W., urging that the Negro race be fully enabled to enter into and participate in all departments of the armed service of the United States; to the Committee on the Judiciary.

3572. Also, petition of Union Barge Line Corporation, River Transportation, Pittsburgh, Pa., concerning the Wheeler bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

3573. By Mr. LECOMPTE: Petition of sundry citizens of Keota, Iowa, urging an appropriation for the construction of a fishway in the Keokuk Dam at Keokuk, Iowa; to the Committee on Merchant Marine and Fisheries.

3574. By Mr. PFEIFER: Petition of the American Photo-Engravers Association, Chicago, Ill., concerning amendment to the Social Security Act (H. R. 6497); to the Committee on Ways and Means.

3575. Also, petition of the Union Barge Line Corporation, Pittsburgh, Pa., opposing the Wheeler bill (S. 2009); to the Committee on Interstate and Foreign Commerce.

3576. Also, petition of the Emergency Conservation Committee, New York City, urging the passage of the Gearhart bill (H. R. 3794), for the proposed John Muir-Kings Canyon

National Park, in the form it was originally introduced; to the Committee on the Public Lands.

3577. Also, petition of the Transport Workers Union of Greater New York, favoring continuation of the adult education program of the Works Progress Administration and the Casey bill (H. R. 6470); to the Committee on Appropriations.

3578. By Mr. SCHAEFER of Illinois: Petition of the Illinois State Federation of Labor, R. G. Soderstrom, president, urging enactment of Senate bill 2460, relating to the development of vocational education in the several States and Territories; to the Committee on Education.

3579. By the SPEAKER: Petition of the Veterans of Foreign Wars of the United States, Evansville, Ind., urging consideration of their resolution with reference to the Grover Cleveland Bergdoll case; to the Committee on World War Veterans' Legislation.

3580. Also, petition of the County Wexford Men's and Women's P. S. and B. Association, of New York, urging consideration of their resolution with reference to the fifth annual Commodore John Barry pilgrimage; to the Committee on Foreign Affairs.

3581. Also, petition of the Ohio Valley Improvement Association, Cincinnati, Ohio, urging consideration of their resolution with reference to Senate bill 2009, concerning freight rates; to the Committee on Interstate and Foreign Commerce.

SENATE

THURSDAY, JUNE 8, 1939

(Legislative day of Monday, June 5, 1939)

The Senate met at 1 o'clock p. m., on the expiration of the recess.

The Chaplain, Rev. Z. Barney T. Phillips, D. D., offered the following prayer:

Eternal God, ruler and guide of the destinies of nations, our everlasting Father in whom are found the springs of all parental tenderness and grace: We thank Thee for the manifold blessings bestowed upon us as a nation; for the ideals of government, of liberty and justice, so largely inherited from the mother country to which today America pays loving tribute as she welcomes to her heart the British sovereign and his gracious queen. Preserve them in health and strength; may Thine everlasting arms encircle them, and may their happy sojourn in our midst be to us, to them, and to their people a source of blessed understanding, as together we face the problems of tomorrow in the spirit of closer friendship and of deeper consecration to our God. We ask it in the name of Jesus Christ our Lord and Saviour. Amen.

THE JOURNAL

On request of Mr. BARKLEY, and by unanimous consent, the reading of the Journal of the proceedings of the calendar day Wednesday, June 7, 1939, was dispensed with, and the Journal was approved.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Latta, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its reading clerks, announced that the House had passed without amendment the following bills of the Senate:

S. 1031. An act to amend section 243 of the Penal Code of the United States, as amended by the act of June 15, 1935 (49 Stat. 378), relating to the marking of packages containing wild animals and birds and parts thereof; and

S. 1243. An act to authorize the use of War Department equipment for the Confederate Veterans' 1939 reunion at Trinidad, Colo., August 22, 23, 24, and 25, 1939.